

WYOMING STATE TREASURER ANNUAL REPORT



FOR THE PERIOD
JULY 1, 2012 THROUGH JUNE 30, 2013

Mark Gordon, State Treasurer
Sharon Garland, Deputy State Treasurer
Michael Walden-Newman, Chief Investment Officer



WYOMING STATE TREASURER'S ANNUAL REPORT

Fiscal Year 2013

(July 1- 2012 - June 30, 2013)

The historian T.A. Larson once opined that Wyoming was the place others wished theirs could have been if they had had the chance to do it over. Indeed, Wyoming is in an enviable position because she is blessed with resources, careful in how she has tended the proceeds from them, and responsible with her expenditures.

Presented on the following pages is the Treasurer's Annual Report for 2013. It is my first Annual Report as Wyoming's Treasurer. In it I hope you will find the detailed information presented on our investments, performance, asset allocation, distributions and other programs and activities administered by my office to be useful and elucidating.

I use the word "guts" because it took a lot of them for each of my three predecessors, Stan Smith, Cynthia Lummis, and Joe Meyer to organize the state's prodigious mineral wealth into an investment corpus capable of converting our one-time mineral derived wealth into a true renewable resource for the state. It took the heart, stamina, intelligence and acumen of an excellent staff to turn each of these pioneer's visions into the valuable asset our portfolio has become today.

As I write this morning, Fall has returned to Wyoming and I am reminded it was early last October – just as leaves were beginning to turn -- when my predecessor, the beloved Joe Meyer, passed away. Astoundingly, that anniversary means it has been nearly a year since my

appointment. Though these past eleven months have gone by too quickly, they have been eventful and productive capitalizing on the great work of Joe's second term.

Working with a dedicated, talented, and committed staff, Wyoming enjoyed a record year in revenue — over \$900 million — from its investment portfolio, while the corpus grew by \$1.4 billion.

We revamped our approach of providing capital to Wyoming banks ensuring more of Wyoming's money will go to loans deployed in Wyoming for Wyoming folks and businesses.

We moved forward with new investment strategies designed to protect the state's wealth from market shocks brought on by economic, monetary, or political volatility. We have prosecuted, reviewed, and are reformulating a program intended to underwrite new industrial development potentially benefiting the state so that the process is more understandable, smarter, and useful for potential clients.

We advertised the second highest number of unclaimed property claims while making sure the third largest amount of that property was reunited with its rightful owners.

All of that while the Federal Government instituted "Sequester," their act of skimming more of the state's share of mineral royalties. Here too, we worked with the Governor and our delegation to make sure Wyoming was made whole within a year.

As you can see, we have been busy and aggressive. Still, even though the performance on the state's portfolio has been outstanding, Wyoming's treasure continues to perform in the highest echelons of all institutional funds, it is important to remember that the primary goal of this office is to protect the corpus my predecessors and our legislature has nurtured so conscientiously. Thus, our investment policies are designed to maximize the safety and security of those funds and have stood the test of time. It has been a good recipe for success.

We are proud of our legacy as well as what we have been able to accomplish. We believe you will be too.

Thank you.

A handwritten signature in black ink, appearing to read "Mark Gordon", with a long horizontal flourish extending to the right.

Mark Gordon
Wyoming State Treasurer

TABLE OF CONTENTS

INTRODUCTION

Overview of the Office 1
Organization Chart 3

INVESTMENTS

Investment Portfolio: FY13 Overview 5
Investment Portfolio Fund Balances 6
Investment Income 8
Permanent Wyoming Mineral Trust Fund Returns 11
Investment Portfolio Asset Allocation 13
Investment Portfolio Manager Funding 15
Asset Allocation by Fund 16
Investable Fund and Income History 22
Investment Performance by Fund by Manager 23
Permanent Wyoming Mineral Trust Fund FY09-FY13 Data 25
Permanent Wyoming Mineral Trust Fund Revenue-Receipts 26
Common School Permanent Land Fund FY09-FY13 Data 27
Permanent Land Fund Revenue Receipts 28
Wyoming Investments 31
Securities Lending Income 35
Investment Account Balances 36
Investment Earnings Spending Policies 37
Permanent Mineral Trust Fund Reserve Account 38
Common School Permanent Land Fund Reserve Account 39
Excellence in Higher Education Reserve Account 40

HATHAWAY SCHOLARSHIP & HIGHER EDUCATION

Excellence in Higher Education Program – Summary of Accounts 41
Hathaway Scholarship Program – Summary of Accounts 44
Hathaway Scholarship Reserve Account 48

BANKING

Time Deposits-Wyoming Banks (TDOA) 49
WYO-STAR (Local Government Investment Pool) 50

DISTRIBUTIONS

Distributions to Cities & Towns 51
Distributions to Counties 53
Federal Mineral Royalty Distribution 54
Endowment Challenge Fund Matching Program 55

OTHER PROGRAMS AND ACTIVITIES

School Foundation Program Interfund Borrowing & Cash Flow 57
Capital Facilities Revenue Bonds 59
Programs & UW Bond Supplemental Coverage Program 61
Wyoming Unclaimed Property Program 63

APPENDIX

Balance Sheet 67
Statement of Cash Flows 68
Legislative Authority 69

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STATE TREASURER'S OFFICE & OVERVIEW PRIMARY PROGRAMS AND/OR FUNCTIONS

STATE TREASURER ACTIVITIES

As one of the five statewide elected officials, the State Treasurer responds to the needs of the citizens through the various programs and activities required of the office as well as through the numerous boards and commissions he serves on.

The State Treasurer serves on the following board and commissions:

- State Loan and Investment Board
- Board of Land Commissioners
- State Building Commission
- Wyoming Community Development Board (WCDA)
- Board of Deposits
- State Canvassing Board
- Wyoming Retirement Board
- Financial Advisory Council

INVESTMENT OF STATE FUNDS

The State Treasurer's Office receives and invests all non-pension funds of the state, except for the state retirement funds, including the Local Government Investment Pool (WYO-STAR). The state's investment portfolio totaled \$16.5 billion as of June 30, 2013 and this figure will continue to grow. Total state funds continue to grow substantially over the years primarily from revenue generated from the state's mineral industry. As assets have grown, greater demands have been placed on investment of these state funds. Investment income is currently the third largest source of income to the general fund.

BANKING ACTIVITIES AND CASH MANAGEMENT

Receipts from state agencies are received, reconciled and deposited daily. State warrants (checks) are validated and redeemed from the bank each day and the state's checkbook is balanced every day. The Treasurer's Office deposits funds in banks throughout the state in the Time Deposit-Open Account Program. The agency also has general responsibility for the management of the state's cash resources including the development of information to forecast the cash needs of the state and for providing adequate liquidity to ensure the state's cash flow needs are met.

AGENCY ADMINISTRATION

Agency administration includes all duties associated with a state elected official, accounting and fiscal activities, human resources services, and computer technology support.

The Treasurer's Office accounts for and distributes state and federal funds as prescribed by law to cities, towns, counties, the University, community colleges, rural hospitals, county libraries and state agencies as follows:

- Investment Income (W.S. 9-1-409)
- Veterans Tax Exemption Reimbursement (W.S. 39-13-105)
- Indian Motor Vehicle Exemption (W.S. 31-3-101)
- Severance Tax (W.S. 39-14-801) and (W.S. 39-14-211)
- Livestock Predatory Animal Control Fees (W.S. 11-6-210)
- Private Rail Car Tax (W.S. 39-13-104)
- Federal Mineral Royalty and Coal Bonus (W.S. 9-4-601)
- Penalties and Fines (W.S. 8-1-109)
- Payments in Lieu of (Property) Taxes (PILT)
 - Taylor Grazing Act (W.S. 9-4-401)
 - U.S. Forest Reserve (W.S. 9-4-501)
- Hathaway Scholarship Program (W.S. 21-16-1302)
- Excellence in Higher Education Program (W.S. 21-16-1201)
- Wildlife Trust Fund Matching (W.S. 9-15-103)
- Endowment Challenge Matching programs
 - University of WY Foundation (W.S. 21-16-901)
 - University of WY Athletics (W.S. 21-16-1001)
 - Community College Foundations (W.S. 21-16-1101)
 - University of WY Academic Facilities (W.S. 21-16-1401)
 - Critical Access & Rural Hospital (W.S. 35-1-1001)
 - WY Public Libraries (W.S. 18-7-201)

In addition to the legislative projects and revenue distributions shown above, the Treasurer's Office is responsible for State Spending Policy calculations and recommendations and accounting for capital facility bonds and school district bond guarantees issued.

UNCLAIMED PROPERTY PROGRAM

The Unclaimed Property Program is administered by the State Treasurer's Office. Administration of this program involves collecting and holding unclaimed funds and/or property and making diligent efforts to locate and returning the property to the rightful owners or heirs.

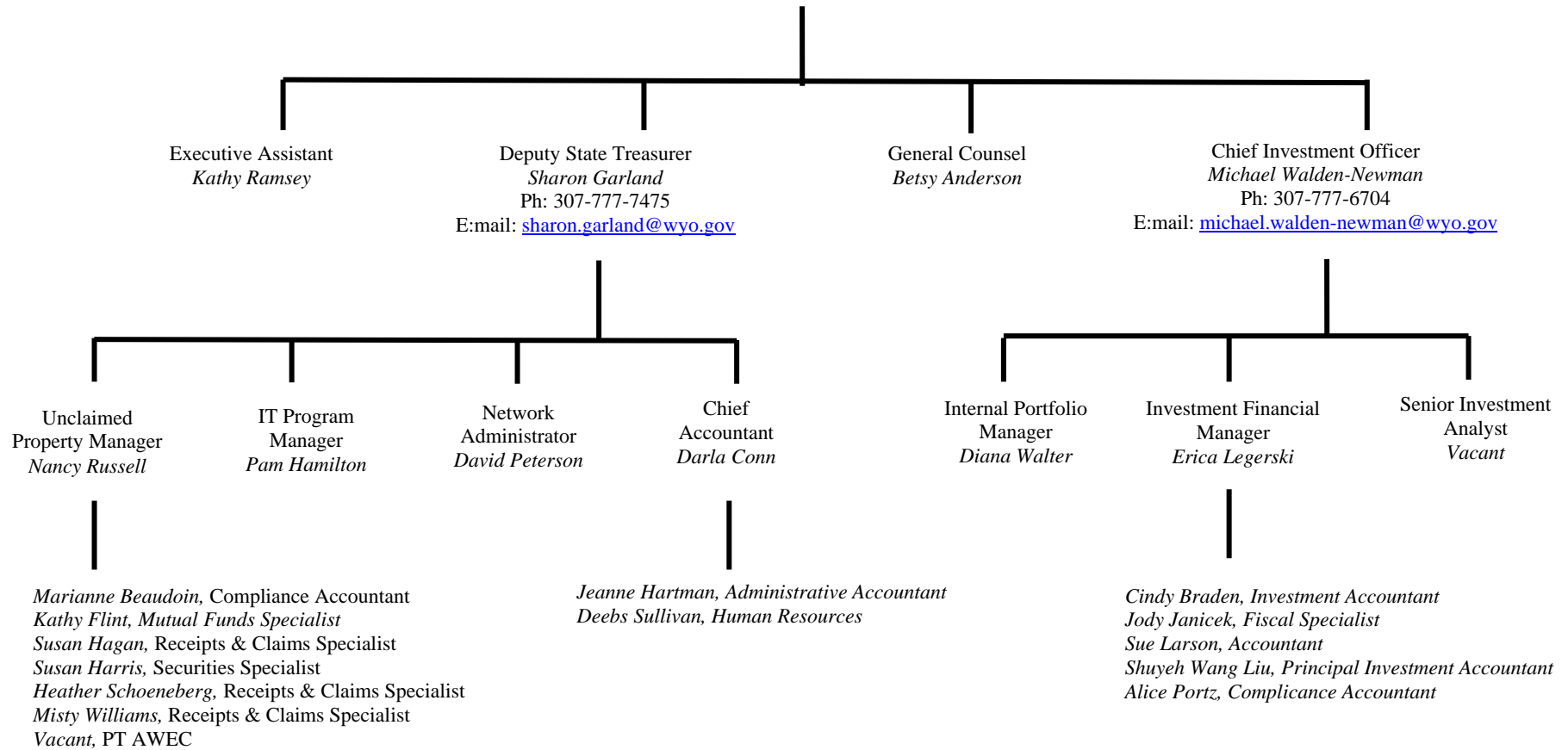
In addition to the State Treasurer, the programs and activities of the State Treasurer's Office were supported by twenty five (25) full time employees and one part time at-will contract employee during fiscal year 2013.

As a means of providing more transparency on the financial operations of the state treasury, additional information about the state's investment program and other auxiliary programs administered by the state treasurer is available on our website (<http://treasurer/state.wy.us>).

For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or michael.walden-newman@wyo.gov

For additional information about the distribution of investment income, including spending policies and/or for additional information about other auxiliary programs and activities administered by the State Treasurer's office, contact Sharon Garland, Deputy State Treasurer at 307-777-7475 or sharon.garland@wyo.gov.

**WYOMING STATE TREASURER
MARK GORDON
as of 06/30/2013**



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WYOMING STATE INVESTMENT PORTFOLIO

FISCAL YEAR 2013

PORTFOLIO OVERVIEW

The State Treasurer manages all non-pension funds of the State of Wyoming. As stated in the Master Investment Policy and Sub-Policies approved by the State Loan and Investment Board, the Treasurer invests the state portfolio "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

The State's portfolio is in a diversified asset allocation. Modern portfolio theory, creating a diversified portfolio of asset classes, allows the investor to achieve a high rate of return while minimizing the volatility of the portfolio. Simply put, the State's portfolio diversification protects the corpus of the funds and allows maximum returns within acceptable risk.

The State portfolio consists of nine investment pools in seven fund types. Seven pools — the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers Compensation Fund — may hold equities, fixed income and cash. The State Agency Pool and the Tobacco Settlement Fund may only hold fixed income and cash.

As shown below, the Treasurer's investment portfolio grew across all funds on a cost basis during FY 13. The total portfolio was \$15.1 billion at the end of FY 12, increasing over \$1.4 billion to \$16.6 billion by June 30, 2013.

	FY 13		FY 12	
	Cost	Market	Cost	Market
Permanent Mineral Trust Fund	\$5,888.5	\$6,112.8	\$5,440.9	\$5,595.5
Permanent Land Funds				
- Common School Perm Land Fund	2,533.4	2,630.6	2,318.0	2,371.3
- University Permanent Land Fund	18.4	19.0	18.0	18.3
- Remaining Permanent Land Funds	144.2	149.2	131.8	135.2
Hathaway Scholarship Fund	518.6	533.1	501.3	518.4
Higher Education Endowment Fund	110.9	113.9	108.4	111.8
Workers Compensation Fund	1,527.5	1,548.6	1,403.1	1,436.8
Tobacco Settlement Fund	70.5	69.0	67.9	69.9
State Agency Pool	<u>5,750.7</u>	<u>5,664.6</u>	<u>5,131.0</u>	<u>5,336.0</u>
Total	\$16,562.7	\$16,840.8	\$15,120.5	\$15,593.1

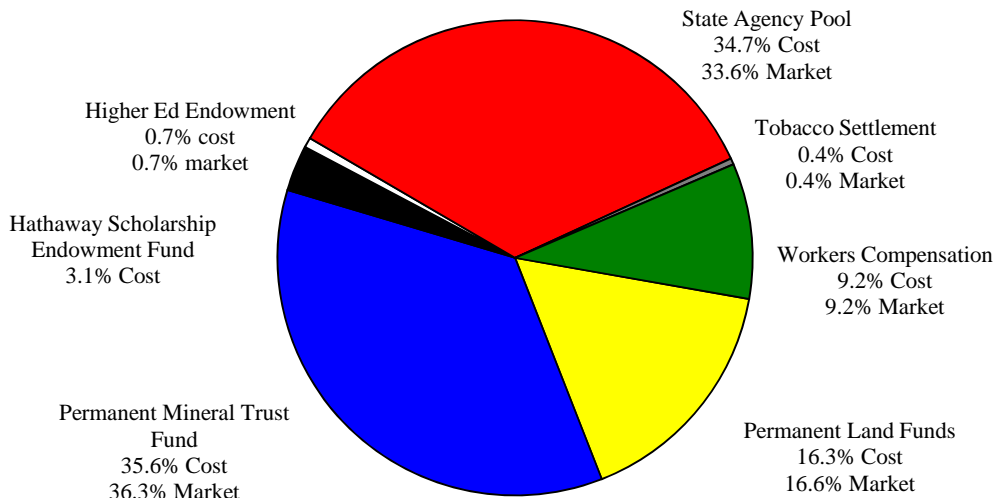
The State Treasurer distributes investment earnings to statutory recipients. Interest and dividends are treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive in a fund, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2013

The State Treasurer's Office manages over \$16 billion in non-pension investable funds across seven fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Worker's Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	Cost Basis	Market Value
Permanent Wyoming Mineral Trust Fund	\$5,888,454,801	\$6,112,755,251
<i>Funded with constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 55 percent of the PWMTF may be invested in equities.</i>		
Permanent Land Funds	2,696,081,674	2,798,823,189
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$2.533 billion book/cost, \$2.630 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 55 percent of the Permanent Land Funds may be invested in equities.</i>		
Hathaway Scholarship Endowment Fund	518,590,587	533,108,981
<i>Funded with federal mineral royalties. Investment income is used to pay higher education tuition for qualifying Wyoming high school graduates at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Hathaway Scholarship Fund may be invested in equities.</i>		
Excellence in Higher Education Endowment Fund	110,870,385	113,851,145
<i>Funded with federal mineral royalties. Investment income is used to pay for recruitment and retention of faculty, to establish endowed faculty positions and to support the work of endowed faculty at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Higher Ed. Endowment Fund may be invested in equities.</i>		
Workers Compensation Fund	1,527,495,660	1,548,607,357
<i>Funded with employer premiums. Investment income is used to assist in the payment of Workers Compensation costs including administrative and indemnity costs, and vendor payments. Up to 45 percent of the Workers Compensation Fund may be invested in equities.</i>		
Tobacco Settlement Fund	70,497,050	68,972,215
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
State Agency Pool	<u>5,750,723,246</u>	<u>5,664,627,675</u>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
GRAND TOTAL ALL FUNDS	\$16,562,713,404	\$16,840,745,813



The Treasurer distributed \$936.5 million in investment income during FY 13, a dramatic increase from the \$603.6 million distributed in FY 12. A significant portion of the increase was capital gains realized during a restructuring of the fixed income portfolio and rebalancing of domestic equities.

<u>Investment Income: Distributions by Fund</u>		
	<u>FY 13</u>	<u>FY 12</u>
Permanent Wyoming Mineral Trust Fund	\$366,635,722	\$235,847,144
Common School Permanent Land Fund	143,131,955	99,790,392
University Permanent Land Fund	563,975	700,995
Remaining Permanent Land Funds	7,736,119	5,218,065
Hathaway Scholarship Endowment Fund	33,516,626	25,103,968
Higher Education Endowment Fund	7,791,230	5,634,089
Workers Compensation Fund	96,498,727	60,219,062
Tobacco Settlement Fund	5,063,857	2,894,098
State Agency Pool	<u>275,544,625</u>	<u>168,195,634</u>
TOTAL	\$936,482,836	\$603,603,448

* "Distributed income" is net of management fees paid and accrued.

The tables on pages 7-8 detail dividend, interest and capital gain income across the portfolio's investment pools, and by asset class and manager.

The State portfolio's FY 13 yield was 6.08 percent and the total return was 5.11 percent for the fiscal year. This is an increase from FY 12, when the cash yield was 4.38 percent, and the total return was 3.5 percent.

The chart on page 11 shows historic total return and yield for the Permanent Wyoming Mineral Trust Fund. Performance by fund and manager is detailed later in this report.

ASSET ALLOCATION AND FUND MANAGEMENT

Asset allocation is the distribution of investments among asset classes. There are two parts to the asset allocation decision: first identifying asset allocation possibilities; and next choosing the best combination of assets to meet investment risk and return objectives. R.V. Kuhns, investment advisor to the State Loan and Investment Board, works with the State Treasurer's Office to establish and annually review asset allocation targets.

The State's portfolio includes US and international stocks, private equity, absolute return strategies, real estate, bonds and cash. Each investment pool has a specific target allocation of each of these types of investments listed in the State's Investment Policy. The Treasurer's Office systematically invests money using monthly dollar cost averaging to achieve and maintain each pool's investment allocation.

The Treasurer's Office is mindful of the stated investment goal of the State's portfolio as set forth in the Investment Policy: that the portfolio is to be invested "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

INVESTMENT INCOME

Fiscal Year 2013

	Dividends	Interest	Distributed Capital Gains	Direct Fees Paid / Accrued	Total Investment Income
Permanent Wyoming Mineral Trust Fund	\$61,281,069	\$79,042,673	\$232,813,408	(\$6,501,429)	\$366,635,722
Common School Permanent Land Fund	26,439,397	34,653,480	84,488,726	(2,449,648)	143,131,955
University Permanent Land Fund	197,120	243,371	143,924	(20,440)	563,975
Remaining Permanent Land Funds:					
- Miner's Hospital Permanent Land Fund	545,147	691,667	1,698,492	(52,965)	2,882,342
- Public Buildings @ Cap Permanent Land Fund	74,331	94,309	231,215	(7,145)	392,709
- Fish Hatchery Permanent Land Fund	4,647	5,896	14,454	(446)	24,551
- D.D. & B. Permanent Land Fund	42,631	54,089	132,651	(4,095)	225,275
- Carey Act Permanent Land Fund	21,478	27,251	107,016	(2,092)	153,653
- Omnibus Permanent Land Fund	436,745	554,130	1,317,750	(42,486)	2,266,139
- State Hospital Permanent Land Fund	39,867	50,583	123,693	(3,778)	210,365
- State Training School Permanent Land Fund	35,982	45,653	123,009	(3,501)	201,144
- Penitentiary Permanent Land Fund	159,336	202,161	492,504	(15,897)	838,105
- Agriculture College Permanent Land Fund	104,113	132,095	315,669	(10,040)	541,838
Hathaway Scholarship Endowment Fund	4,737,222	8,166,679	21,221,241	(608,515)	33,516,626
Higher Education Endowment Fund	1,036,808	1,774,880	5,110,617	(131,074)	7,791,230
Worker's Compensation Fund	9,134,728	27,502,983	61,560,374	(1,699,358)	96,498,727
Tobacco Settlement Fund	61,475	1,882,373	3,209,772	(89,763)	5,063,857
State Agency Pool	3,797,107	112,997,474	165,191,204	(6,441,160)	275,544,625
TOTAL	\$108,149,202	\$268,121,747	\$578,295,717	(\$18,083,831)	\$936,482,836

In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

Investment management fees are paid from investment income. FY 13 fees totaled \$37.8 million, which include the above \$18.1 million in accrued expenses to cover direct fees billed by managers; and \$790K in administrative expenses including salaries, benefits, travel, etc. for eight investment staff in the Wyoming State Treasurer's Office. In addition to these expenses, an additional \$19.7 million was withheld by managers who send their income to the State net of fees.

WYOMING STATE INVESTMENT PORTFOLIO
Unrealized Gain (Loss) & Realized Income (Loss) by Manager
June 30, 2013

<u>Asset Class & Manager</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain/Loss</u>	<u>FY13 YTD Distributed Income</u>	<u>FY13 YTD Deferred Gain/(Loss)</u>
Large Cap Index					
State Street Global Advisors	\$1,545,328,670	\$1,783,487,965	\$238,159,296	\$34,598,385	\$139,878,882
UW Portfolio Management	<u>620,367</u>	<u>656,705</u>	<u>36,337</u>	<u>7,455</u>	<u>(169,022)</u>
Total	\$1,545,949,037	\$1,784,144,670	\$238,195,633	\$34,605,840	\$139,709,860
Small/Mid Cap US Equity					
GAMCO	\$295,476,142	\$351,631,166	\$56,155,024	\$8,397,732	\$26,570,523
International Equity					
Fisher Investments	\$389,198,746	\$428,847,120	\$39,648,374	\$10,011,161	(\$13,370,989)
Northern Trust	780,941,154	806,133,598	25,192,444	22,563,933	(5,255,536)
The Boston Company	156,554,878	154,180,650	(2,374,227)	3,858,318	(3,853,173)
Manning & Napier	<u>234,975,360</u>	<u>245,601,464</u>	<u>10,626,104</u>	<u>5,453,323</u>	<u>1,723,704</u>
Total	\$1,561,670,138	\$1,634,762,832	\$73,092,695	\$41,886,735	(\$20,755,994)
Private Equity					
Access Venture Partners	\$6,423,423	\$13,386,106	\$6,962,683	\$1	\$0
Cheyenne Capital Fund	<u>204,663,532</u>	<u>253,558,800</u>	<u>48,895,268</u>	<u>(17)</u>	<u>16,782,510</u>
Total	\$211,086,955	\$266,944,906	\$55,857,951	(\$16)	\$16,782,510
Real Estate					
Clarion	\$191,303,630	\$167,712,264	(\$23,591,366)	\$5,482,347	\$0
UBS Realty	141,303,630	133,744,241	(7,559,389)	3,820,136	0
Heitman	8,053,685	8,112,180	58,495	446,583	417,268
TA Realty	14,974,171	10,450,534	(4,523,637)	60,267	0
West River Realty	62,695,038	66,316,564	3,621,526	1,837,694	0
Cornerstone	<u>20,112,502</u>	<u>22,142,259</u>	<u>2,029,757</u>	<u>1,647,923</u>	<u>0</u>
Total	\$438,442,656	\$408,478,042	(\$29,964,614)	\$13,294,952	\$417,268
Absolute Return					
Aurora I	\$162,461,240	\$172,541,088	\$10,079,848	\$0	\$6,500,000
Aurora II	208,352,520	220,087,487	11,734,967	11	4,500,000
PAAMCO	369,360,760	402,786,645	33,425,885	0	15,085,218
Grosvenor	<u>36,803,165</u>	<u>54,891,580</u>	<u>18,088,415</u>	<u>149</u>	<u>16,896,371</u>
Total	\$776,977,685	\$850,306,800	\$73,329,115	\$161	\$42,981,589
Convertible Bonds					
AGI Capital	\$409,140,715	\$475,472,232	\$66,331,517	\$7,105,562	\$7,984
Fixed Income					
Neuberger Berman Core-Plus	\$0	\$0	\$0	\$39,803,610	\$88,927,329
PIMCO Core-Plus	0	0	0	43,887,337	37,362,916
WAMCO Core-Plus	0	986,323	986,323	44,049,370	99,255,282
Logan Circle Corporates	0	0	0	11,969,472	33,037,673
WAMCO Corporates	0	0	0	11,674,767	35,001,655
JPMorgan Mortgages	0	0	0	13,202,005	1,846,296
PIMCO Mortgages	0	0	0	9,901,015	4,211,196
PIMCO Global	0	0	0	35,156,229	70,248,197
CS McKee Core	575,573,639	560,043,305	(15,530,334)	2,394,107	(1,615,446)
JPM Core	1,685,910,866	1,630,473,537	(55,437,329)	11,300,509	11,067,958
MacKay Shields Core	912,627,912	885,978,129	(26,649,783)	2,748,214	(3,109,960)
Neuberger Berman Core	994,807,595	975,756,699	(19,050,896)	4,446,830	7,786,900
PIMCO Core	2,298,689,131	2,289,118,996	(9,570,135)	5,237,427	5,874,290
Wells Cap Core	579,394,713	564,380,399	(15,014,315)	3,161,729	(5,786,034)
Neuberger Berman Cr	494,990,923	484,550,687	(10,440,236)	(9,075)	220,824
Seix Cr	495,000,000	486,550,023	(8,449,977)	0	0
Investec EM	250,000,000	230,200,695	(19,799,305)	0	0
Stone Harbor EM	249,908,200	225,378,212	(24,529,989)	2,908,864	(91,800)
SSgA TIPS	<u>747,853,603</u>	<u>692,182,076</u>	<u>(55,671,527)</u>	<u>(1,116,243)</u>	<u>(493,803)</u>
Total	\$9,284,756,584	\$9,025,599,082	(\$259,157,502)	\$240,716,167	\$383,743,472
Fixed Income					
Internal Portfolio	\$402,255,683	\$405,276,519	\$3,020,837	\$10,110,550	\$2,136,461
Cash Equivalents					
JP Morgan	\$1,263,976,202	\$1,265,118,894	\$1,142,692	\$4,590,485	(\$1,616,333)
Wyoming Investments	\$372,981,607	\$373,010,669	\$29,062	\$9,980,788	\$0
Securities Lending				\$5,581,995	(\$11,681,622)
TOTALS	\$16,562,713,404	\$16,840,745,814	\$278,032,410	\$376,270,950	\$578,295,717

Notes:

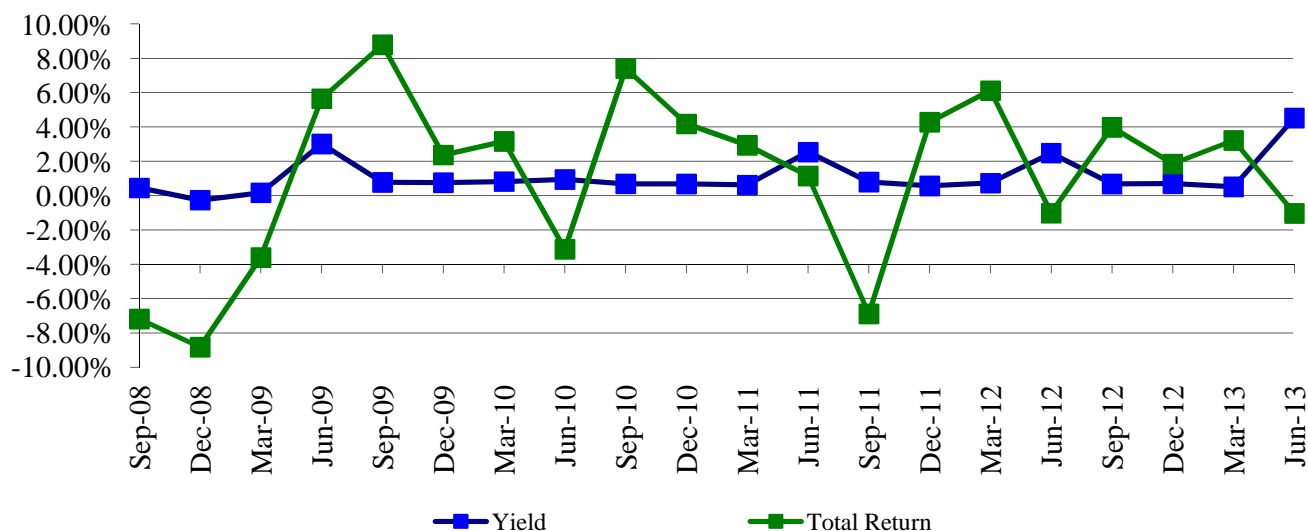
JP Morgan is Wyoming's current securities lending provider; the above losses were incurred in conjunction with a prior relationship with KeyBank.

Investment management fees are paid from investment income. FY 13 fees totaled \$37.8 million. Of the gross income shown above, \$18.1 million was deducted to pay fees billed by managers, and \$790K in administrative expenses including salaries, benefits, travel, etc. for eight investment staff in the Wyoming State Treasurer's Office. An additional \$19.7 million was withheld by managers who send their income to the State net of fees.

Investment managers showing a zero cost basis are those whose mandates were terminated as part of the FY13 fixed income restructure.

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PERMANENT WYOMING MINERAL TRUST FUND YIELD AND TOTAL RETURN COMPARED



Note: "Yield" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest, and realized and unrealized capital gains and losses. The chart above shows yield as more stable, while total return has varied over market cycles.

<u>Quarter Ending</u>	<u>Yield</u>		<u>Total Return</u>	
	<u>Quarter</u>	<u>Annual</u>	<u>Quarter</u>	<u>Annual</u>
September 30, 2008	0.45%		-7.19%	
December 31, 2008	-0.26%		-8.83%	
March 31, 2009	0.17%		-3.61%	
June 30, 2009	3.01%	3.48%	5.65%	-13.82%
September 30, 2009	0.78%		8.80%	
December 31, 2009	0.76%		2.37%	
March 31, 2010	0.82%		3.16%	
June 30, 2010	0.94%	3.30%	-3.12%	11.31%
September 30, 2010	0.69%		7.41%	
December 31, 2010	0.68%		4.18%	
March 31, 2011	0.62%		2.94%	
June 30, 2011	2.54%	4.63%	1.15%	16.52%
September 30, 2011	0.80%		-6.89%	
December 31, 2011	0.57%		4.28%	
March 31, 2012	0.73%		6.12%	
June 30, 2012	2.48%	4.65%	-1.02%	1.98%
September 30, 2012	0.68%		3.98%	
December 31, 2012	0.70%		1.85%	
March 31, 2013	0.51%		3.22%	
June 30, 2013	4.52%	6.57%	-1.03%	8.19%

FUND ALLOCATION

The Permanent Mineral Trust Fund and Permanent Land Funds may hold up to 55 percent in equities under current law. The State's Investment Policy sets out a long-term target allocation of 50 percent equities and 50 percent fixed income and cash.

The Hathaway Scholarship Endowment and Higher Education Endowment Funds also have an allowed long-term target of 50 percent equities, but the Treasurer set their FY 13 target slightly lower at 45 percent, given their need for more stable income.

The Workers Compensation Fund may invest up to 45 percent in equities; the specific target is determined by the director of the Department of Employment. The Department set the equity target at 30 percent for FY 13.

The June 30, 2013 allocation mix of the portfolio is shown below; charts later in this report provide a detailed allocation for each fund. Portfolio rebalances in the latter part of the year resulted in higher than usual year-end cash that will decrease as principal is returned to managers.

The Treasurer's Office rebalances the portfolio when markets take a manager over its target allocation within the portfolio. The manager sells assets, returning the principal and capital gains to the State. The Treasurer distributes the capital gains to statutory recipients. The principal is returned to managers over time to dollar cost average allocations.

	<u>Equities</u>	<u>Fixed</u>	<u>Wyo*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	48.2%	43.7%	2.0%	6.0%
Common School Permanent Land Fund	48.8	39.7	0.7	10.9
University Permanent Land Fund	50.4	44.2	0.0	5.3
Remaining Permanent Land Funds	47.7	41.7	0.0	10.6
Hathaway Scholarship Endowment Fund	39.5	51.9	0.0	8.6
Higher Education Endowment Fund	40.2	52.6	0.0	7.2
Workers Compensation Fund	27.9	64.9	0.0	7.2
Tobacco Settlement Fund	0.0	99.0	0.0	1.0
State Agency Pool	<u>0.0</u>	<u>94.5</u>	<u>3.5</u>	<u>2.0</u>
TOTAL	29.2%	63.2%	2.3%	5.3%

* Wyoming specific investments detailed later.

Over 95 percent of the State's portfolio is managed by external investment firms, as shown on page 12. Total external fixed income and cash funding was \$10.958 billion on a cost basis on June 30, 2013, with a market value of \$10.766 billion. On June 30, 2012, total external fixed income and cash was \$9.648 billion (cost) and \$10.051 billion (market).

External equity manager funding at FY 13 year-end was \$4.830 billion on a cost basis, with a market value of \$5.296 billion. This compares to \$4.595 billion (cost) and \$4.647 billion (market) on June 30, 2012.








The Treasurer's internally managed bond portfolio was \$402.3 million (cost) and \$405.3 million (market) at the end of FY 13.

WYOMING STATE INVESTMENT PORTFOLIO

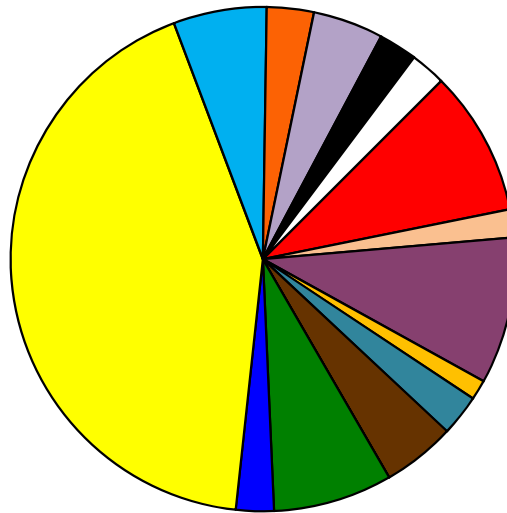
June 30, 2013

\$16.563 Billion
Cost Basis

FIXED INCOME







Internal Bonds	\$402.3 M	2.4%	
Core	\$7,047.0 M	42.5%	
Credit	\$990.0 M	6.0%	
Emerging Markets	\$499.9 M	3.0%	
TIPS	\$747.9 M	4.5%	
Convertibles	\$409.1 M	2.5%	
Wyoming Investments	\$373.0 M	2.2%	

TOTAL
\$10,469.1 M
63.2%



CASH \$1,264.0 M 7.6%








EQUITIES

Large Cap US	\$1,545.9 M	9.3%	
Small / Mid US	\$295.5 M	1.8%	
International	\$1,561.7 M	9.4%	
Private Equity	\$211.1 M	1.3%	
Real Estate	\$438.4 M	2.6%	
Absolute Return	\$777.0 M	4.7%	

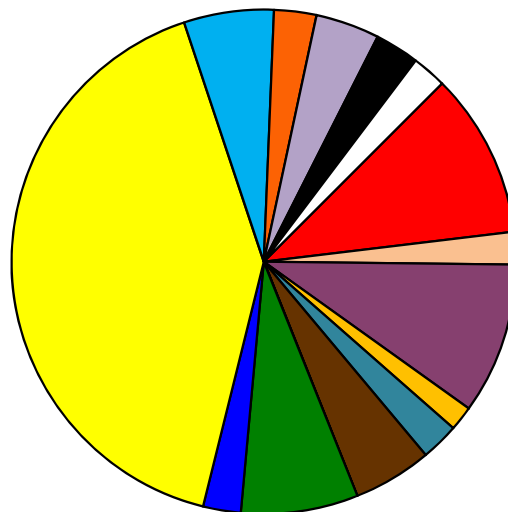
TOTAL
\$4,829.6 M
29.2%

\$16.841 Billion
Market Value

FIXED INCOME







Internal Bonds	\$405.3 M	2.4%	
Core	\$6,906.7 M	41.0%	
Credit	\$971.1 M	5.8%	
Emerging Markets	\$455.6 M	2.7%	
TIPS	\$692.2 M	4.1%	
Convertibles	\$475.5 M	2.8%	
Wyoming Investments	\$373.0 M	2.2%	

TOTAL
\$10,279.4 M
61.0%



CASH \$1,265.1 M 7.5%

EQUITIES

Large Cap US	\$1,784.1 M	10.6%	
Small / Mid US	\$351.6 M	2.1%	
International	\$1,634.8 M	9.7%	
Private Equity	\$266.9 M	1.6%	
Real Estate	\$408.5 M	2.4%	
Absolute Return	\$850.3 M	5.0%	

TOTAL
\$5,296.3 M
31.4%

INVESTMENT MANAGER OVERSIGHT

The portfolio's investment managers are on an annual rotation for visits to Cheyenne. State Treasurer's staff also performs due diligence visits to managers' offices throughout the year.

PORTFOLIO RESTRUCTURING

The Treasurer's Office completed two major projects during FY 13.

In fixed income, the Treasurer's Office conducted an in-depth analysis of the fixed income portfolio put in place in 2006. After 18 months of study, an RFP, and manager interviews, the portfolio was restructured into new mandates designed to better protect against increases in interest rates. In October 2012, managers were hired for four areas: core, credit, emerging market debt and Treasury Inflation-Protected Securities (TIPS.)

Two private equity managers were hired in June 2013, each with a \$200 million commitment for construction of a diversified fund to be built over a four-year period. These hires also came after 18 months of analysis of the private equity portfolio, an RFP, and manager interviews

SELECT COMMITTEE ON CAPITAL FINANCING AND INVESTMENTS

The State Treasurer met with the Select Committee on Capital Financing and Investments on December 20, 2012. Items discussed included on-going review of the state investment portfolio, spending policies and accounting procedures.

STATE TREASURER'S WEBSITE

The Sovereign Wealth Fund Institute gives Wyoming one of its highest rankings in terms of public transparency. The State Treasurer's Office continually updates investment information on its website: <http://treasurer.state.wy.us/investmentsbank.asp#invest>.

MORE INFORMATION

The charts on the following pages illustrate the diversification of the State's portfolio and detail funding levels of the asset classes and the managers who collaborate with the State Treasurer's Office in the management of the State's portfolio.

In addition, this report contains information about:

- Investment performance;
- Wyoming specific investments;
- WYO-STAR—Wyoming's local government investment pool;
- Spending policies/reserve accounts for permanent funds;
- Interfund borrowing for the School Foundation Program;
- Banking and TDOA (Time Deposit Open Account), a discretionary program that places state funds in Wyoming banks.

For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or michael.walden-newman@wyo.gov. For more information on the distribution of investment income, including spending policies, please contact Sharon Garland, Deputy State Treasurer at 307-777-7475, or sharon.garland@wyo.gov

WYOMING STATE INVESTMENT PORTFOLIO
June 30, 2013

EXTERNAL EQUITIES		<u>Cost Basis</u>	<u>Market Value</u>
Large Cap Index	State Street Global Advisors	\$1,545,328,670	\$1,783,487,965
U. S. Equities	UW Portfolio Management Program	620,367	656,705
Small / Mid Cap	GAMCO	295,476,142	351,631,166
International	Fisher Investments	389,198,746	428,847,120
	Northern Trust	780,941,154	806,133,598
	The Boston Company	156,554,878	154,180,650
	Manning & Napier	234,975,360	245,601,464
Private Equity	Access Venture Partners <i>(\$10 M committed)</i>	6,423,423	13,386,106
	Cheyenne Capital Fund <i>(\$257.95 committed)</i>	204,663,532	253,558,800
Real Estate	ING Clarion	191,303,630	167,712,264
	UBS Realty	141,303,630	133,744,241
	Heitman <i>(\$10 M committed)</i>	8,053,685	8,112,180
	TA Realty <i>(\$15 M committed)</i>	14,974,171	10,450,534
	West River Realty <i>(\$75 M committed)</i>	62,695,038	66,316,564
	Cornerstone <i>(\$27.2 M committed)</i>	20,112,502	22,142,259
Absolute Return	Aurora I	162,461,240	172,541,088
	Aurora II	208,352,520	220,087,487
	PAAMCO	369,360,760	402,786,645
	Grosvenor <i>(\$150 M committed)</i>	36,803,165	54,891,580
Total External Equities		\$4,829,602,613	\$5,296,268,416
EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH			
Mandates Terminated in FY13			
Core-Plus	Neuberger Berman	\$0	\$0
	PIMCO	0	0
	WAMCO	0	986,323
Corporates	Logan Circle	0	0
	WAMCO	0	0
Mortgages	JPMorgan	0	0
	PIMCO	0	0
Global	PIMCO	0	0
Convertibles	AGI Capital	409,140,715	475,472,232
US Fixed Income	State Street TIPS	747,853,603	692,182,076
	C.S. McKee	575,573,639	560,043,305
	JP Morgan Core	1,685,910,866	1,630,473,537
	MacKay Shields	912,627,912	885,978,129
	Neuberger Berman Core	994,807,595	975,756,699
	Pimco Core	2,298,689,131	2,289,118,996
	Wells Capital	579,394,713	564,380,399
	Neuberger Berman Credit	494,990,923	484,550,687
	Seix	495,000,000	486,550,023
	Investec	250,000,000	230,200,695
	Stone Harbor	249,908,200	225,378,212
	Total External Fixed Income and Convertibles		\$9,693,897,297
Cash Manager	JPMorgan	1,263,976,202	1,265,118,894
Total External Cash		\$1,263,976,202	\$1,265,118,894
TOTAL EXTERNAL MANAGEMENT		\$15,787,476,112	\$16,062,458,623
INTERNALLY MANAGED FUNDS			
Fixed Income	Bonds	402,255,683	405,276,519
Other	Wyoming Investments	372,981,607	373,010,669
TOTAL INTERNAL MANAGEMENT		\$775,237,290	\$778,287,188
GRAND TOTAL ALL FUNDS		\$16,562,713,404	\$16,840,745,814








WYOMING STATE INVESTMENT PORTFOLIO

Permanent Wyoming Mineral Trust Fund

June 30, 2013







\$5.888 Billion
Cost Basis

FIXED INCOME

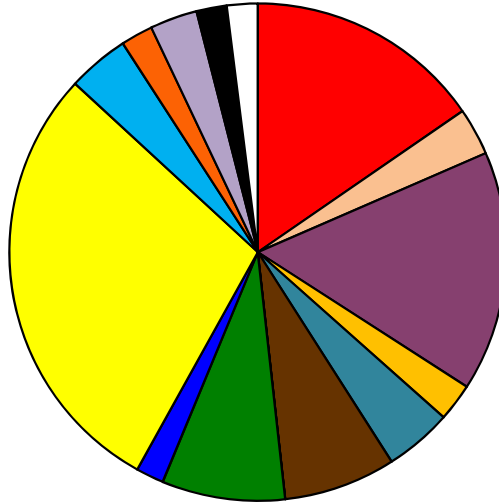
Internal Bonds	\$106.2 M	1.8%	
Core	\$1,695.8 M	28.8%	
Credit	\$236.1 M	4.0%	
Emerging Markets	\$122.6 M	2.1%	
TIPS	\$181.3 M	3.1%	
Convertibles	\$115.7 M	2.0%	
Wyoming Investments	\$118.3 M	2.0%	

TOTAL
\$2,576.2 M
43.7%

EQUITIES

Large Cap US	\$906.5 M	15.4%	
Small / Mid US	\$181.3 M	3.1%	
International	\$920.5 M	15.6%	
Private Equity	\$144.3 M	2.5%	
Real Estate	\$258.7 M	4.4%	
Absolute Return	\$429.2 M	7.3%	








TOTAL
\$2,840.6 M
48.2%



CASH \$471.6 M 8.0%







\$6.113 Billion
Market Value

FIXED INCOME

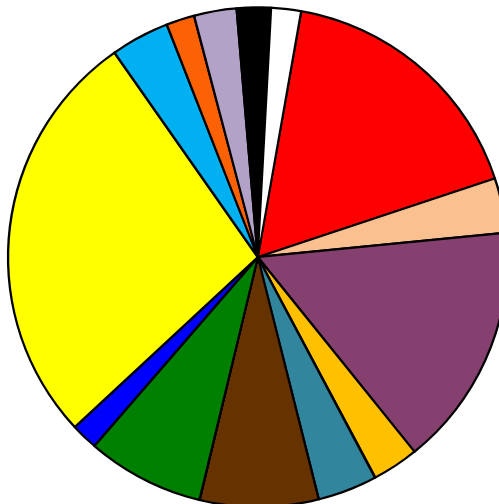
Internal Bonds	\$105.7 M	1.7%	
Core	\$1,661.5 M	27.2%	
Credit	\$231.6 M	3.8%	
Emerging Markets	\$111.7 M	1.8%	
TIPS	\$167.8 M	2.7%	
Convertibles	\$134.8 M	2.2%	
Wyoming Investments	\$118.4 M	1.9%	

TOTAL
\$2,531.6 M
41.4%

EQUITIES

Large Cap US	\$1,046.7 M	17.1%	
Small / Mid US	\$215.9 M	3.5%	
International	\$964.8 M	15.8%	
Private Equity	\$183.6 M	3.0%	
Real Estate	\$235.8 M	3.9%	
Absolute Return	\$469.8 M	7.7%	

TOTAL
\$3,116.6 M
51.0%



CASH \$464.6 M 7.6%

WYOMING STATE INVESTMENT PORTFOLIO

Common School Permanent Land Fund

June 30, 2013

\$2.533 Billion
Cost Basis

FIXED INCOME

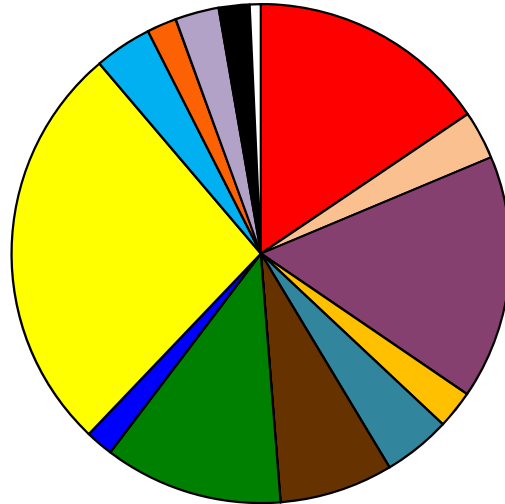
- Internal Bonds \$45.6 M 1.8%
- Core \$675.4 M 26.7%
- Credit \$94.6 M 3.7%
- Emerging Markets \$48.7 M 1.9%
- TIPS \$72.1 M 2.8%
- Convertibles \$50.4 M 2.0%
- Wyoming Investments \$18.4 M 0.7%

TOTAL
\$1,005.1 M
39.7%

EQUITIES

- Large Cap US \$394.0 M 15.6%
- Small / Mid US \$79.6 M 3.1%
- International \$400.9 M 15.8%
- Private Equity \$62.8 M 2.5%
- Real Estate \$111.1 M 4.4%
- Absolute Return \$186.7 M 7.4%

TOTAL
\$1,235.1 M
48.8%



CASH \$293.2 M 11.6%

\$2.631 Billion
Market Value

FIXED INCOME

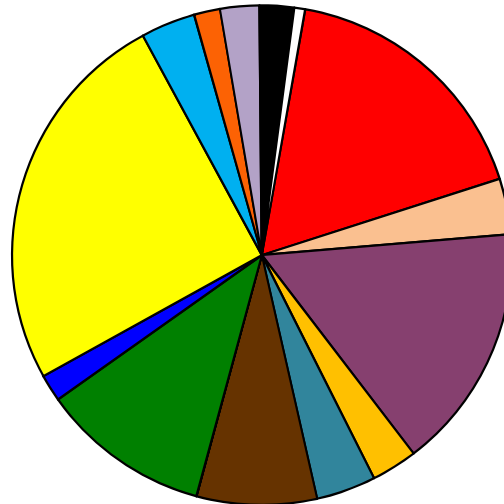
- Internal Bonds \$46.2 M 1.8%
- Core \$661.6 M 25.2%
- Credit \$92.8 M 3.5%
- Emerging Markets \$44.4 M 1.7%
- TIPS \$66.7 M 2.5%
- Convertibles \$58.6 M 2.2%
- Wyoming Investments \$18.4 M 0.7%

TOTAL
\$988.7 M
37.6%

EQUITIES

- Large Cap US \$454.7 M 17.3%
- Small / Mid US \$94.5 M 3.6%
- International \$419.4 M 15.9%
- Private Equity \$78.5 M 3.0%
- Real Estate \$101.6 M 3.9%
- Absolute Return \$204.5 M 7.8%

TOTAL
\$1,353.1 M
51.4%



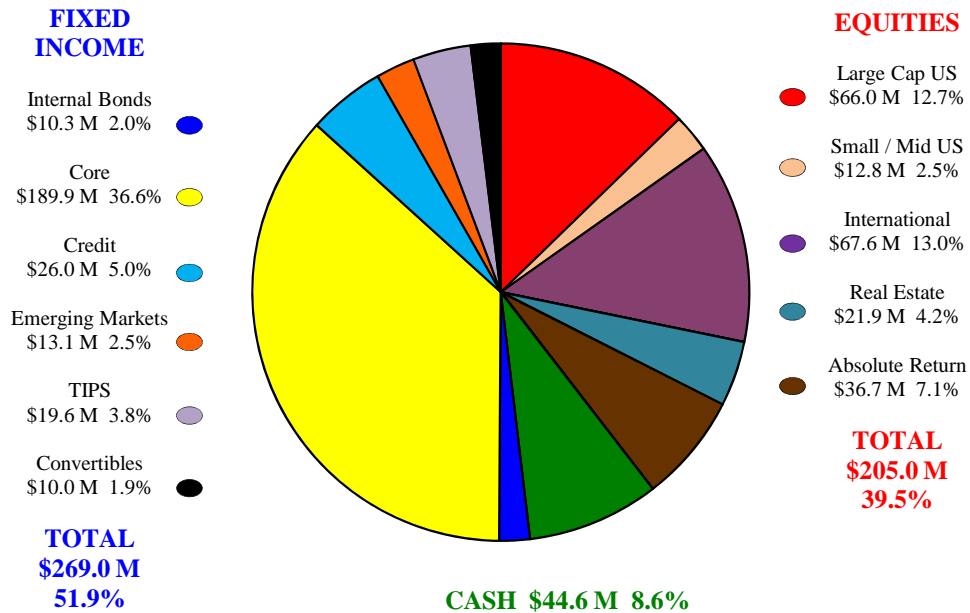
CASH \$288.8 M 11.0%

WYOMING STATE INVESTMENT PORTFOLIO

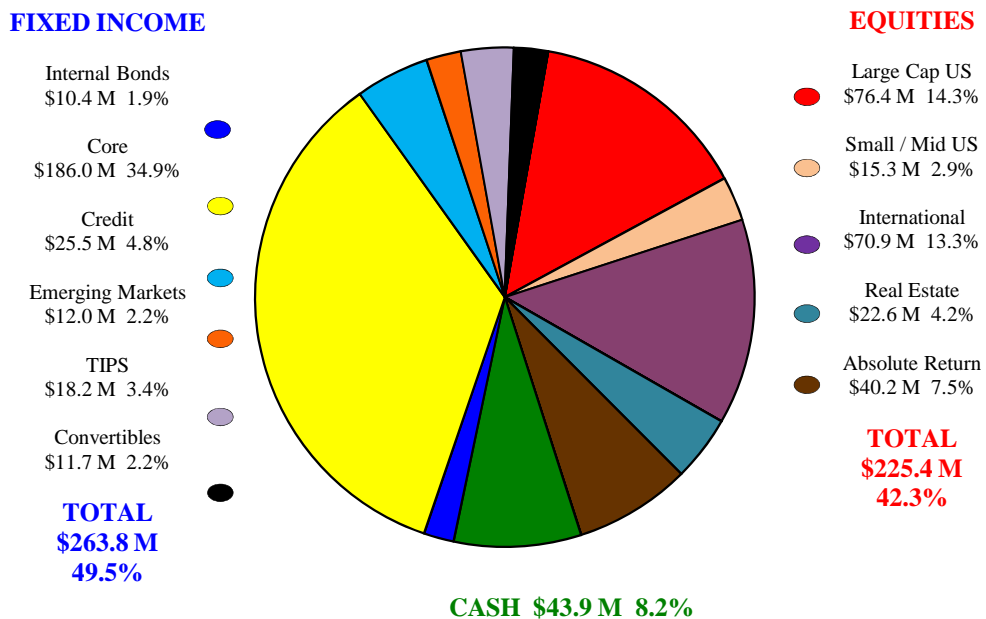
Hathaway Scholarship Endowment Fund

June 30, 2013

\$518.6 Million
Cost Basis



\$533.1 Million
Market Value

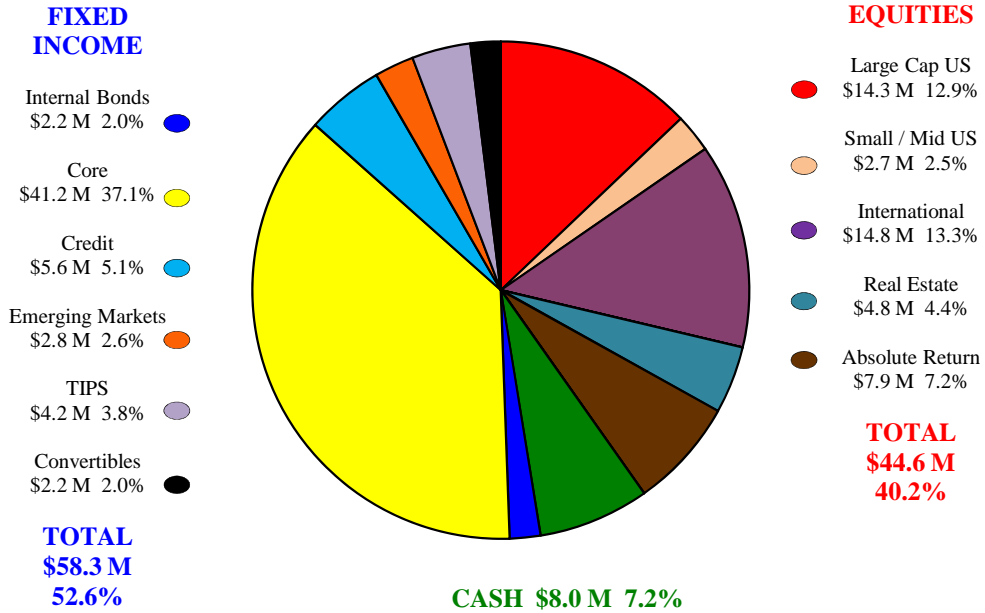


WYOMING STATE INVESTMENT PORTFOLIO

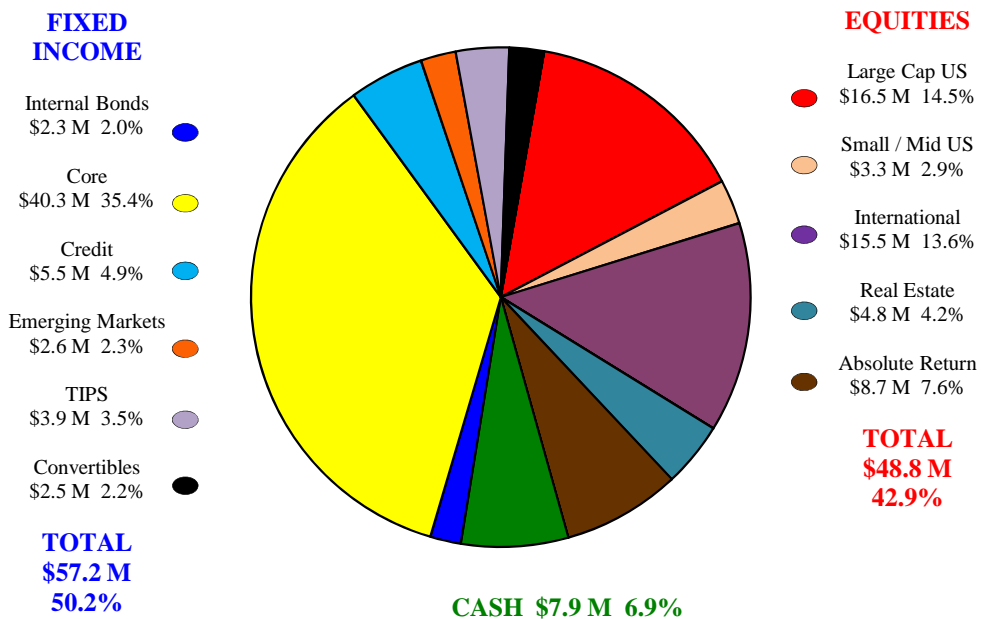
Higher Education Endowment Fund

June 30, 2013

\$110.9 Million
Cost Basis



\$113.9 Million
Market Value

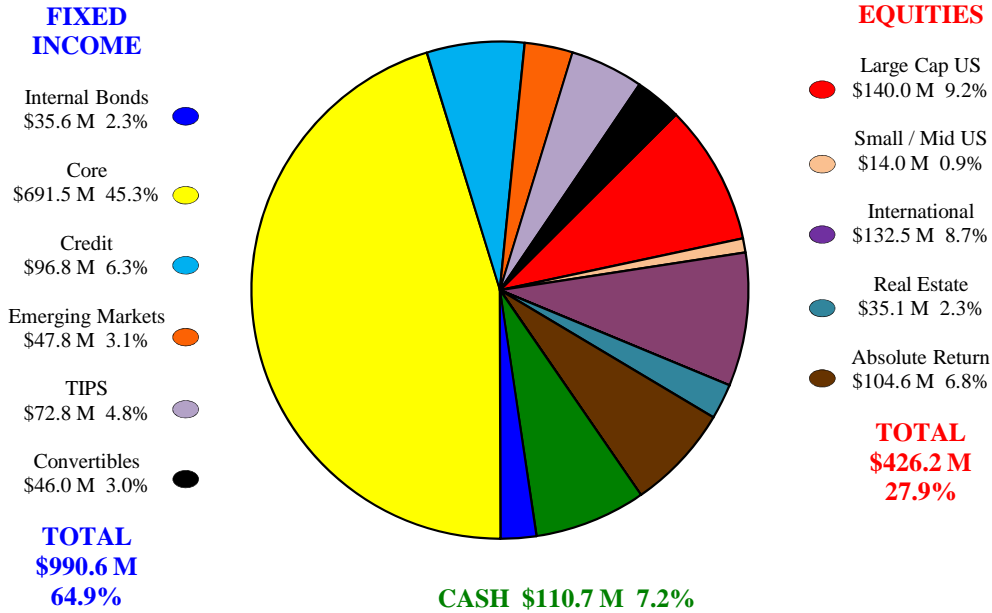


WYOMING STATE INVESTMENT PORTFOLIO

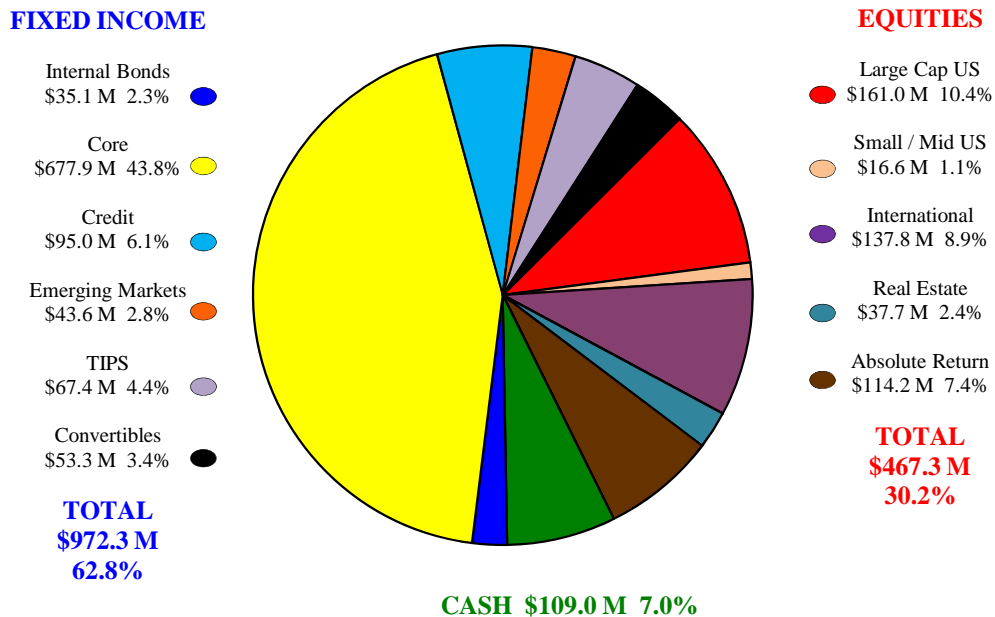
Workers Compensation Fund

June 30, 2013

\$1.527 Billion
Cost Basis



\$1.549 Billion
Market Value



WYOMING STATE INVESTMENT PORTFOLIO

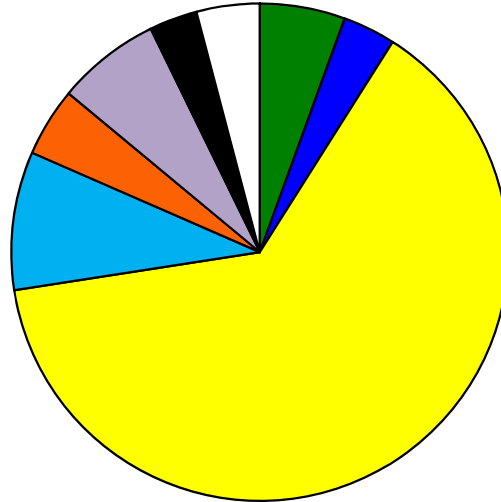
State Agency Pool

June 30, 2013

\$5.751 Billion
Cost Basis

FIXED INCOME

Internal Bonds	\$197.1 M	3.4%	●
Core	\$3,656.0 M	63.6%	●
Credit	\$517.3 M	9.0%	●
Emerging Markets	\$257.9 M	4.5%	●
TIPS	\$387.6 M	6.7%	●
Convertibles	\$179.6 M	3.1%	●
Wyoming Investments	\$236.3 M	4.1%	○



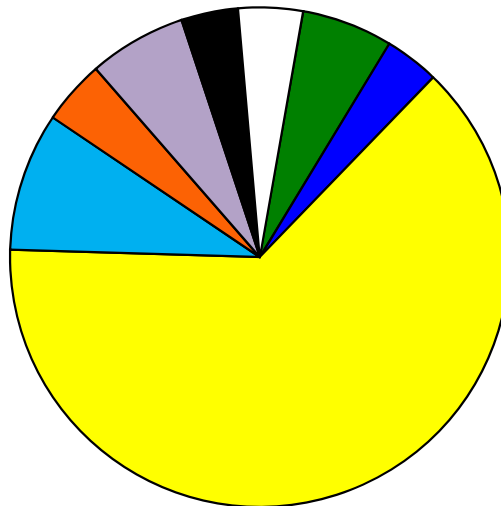
TOTAL
\$5,431.8 M
94.5%

CASH \$318.9 M 5.5%

\$5.665 Billion
Market Value

FIXED INCOME

Internal Bonds	\$200.4 M	3.5%	●
Core	\$3,584.2 M	63.3%	●
Credit	\$507.4 M	9.0%	●
Emerging Markets	\$235.0 M	4.1%	●
TIPS	\$358.7 M	6.3%	●
Convertibles	\$208.4 M	3.7%	●
Wyoming Investments	\$236.3 M	4.2%	○



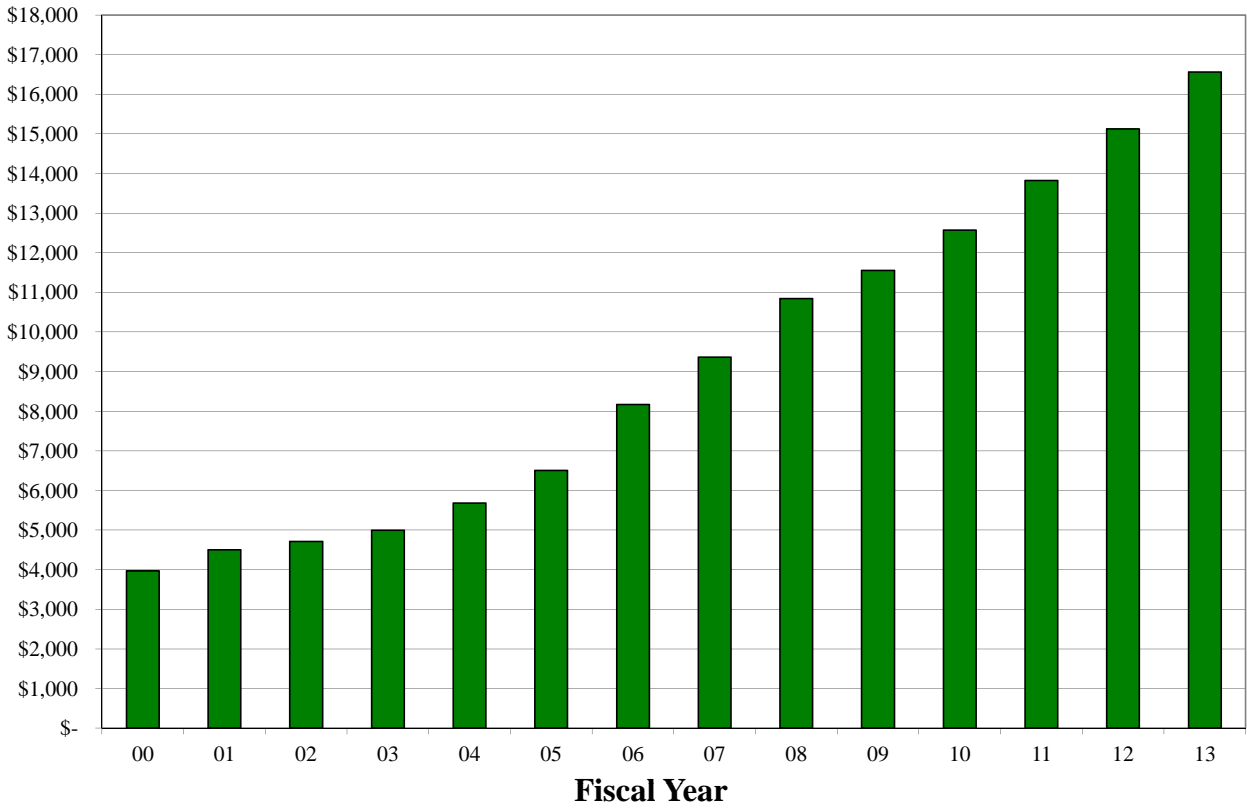
TOTAL
\$5,330.4 M
94.1%

CASH \$334.2 M 5.96%

WYOMING STATE TREASURER'S OFFICE

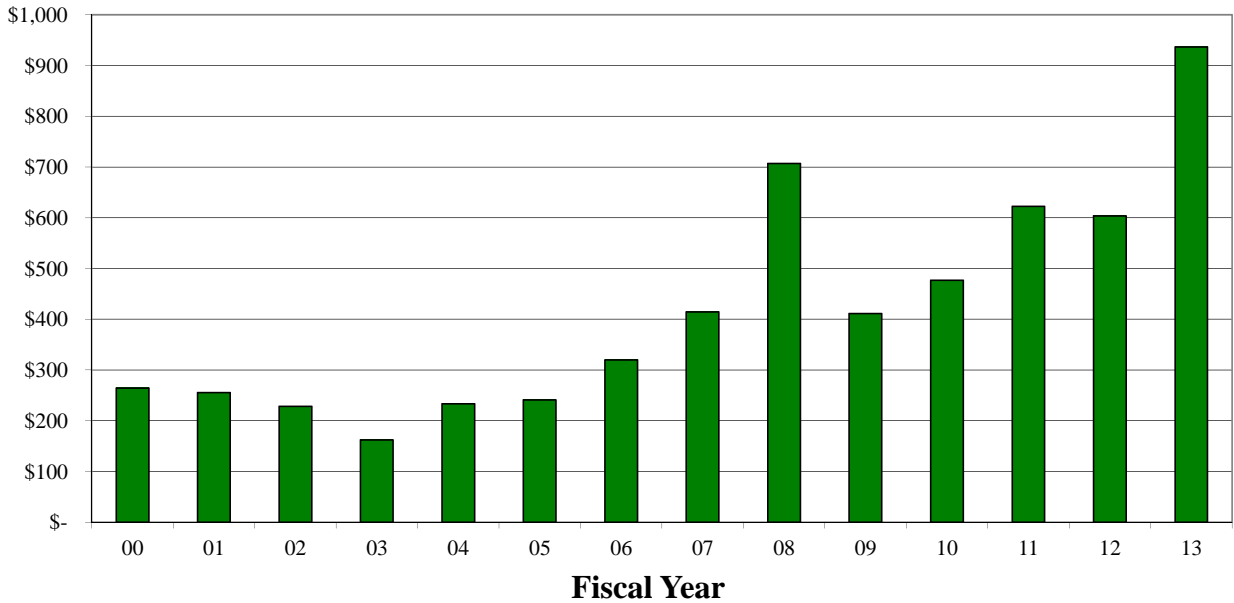
TOTAL STATE PORTFOLIO VALUE

(\$ Millions)



INVESTMENT INCOME

(\$ Millions)



MARKET PERFORMANCE
SUMMARY ANALYSIS - ALL INVESTMENTS

	FY 13			Market Return		
	Total Investment Value	Current Market Value	% of MV	FY13 Return	3 Year Return	5 Year Return
INVESTMENTS BY FUND						
Permanent Wyoming Mineral Trust Func	\$5,888,454,801	\$6,112,755,251	36.3%	8.19%	8.73%	4.28%
Permanent Land Fund	144,200,126	149,157,560	0.9%	7.86%	8.55%	4.14%
University Permanent Land Func	18,449,045	19,024,895	0.1%	7.91%	8.29%	3.67%
Common School Permanent Land Func	2,533,432,503	2,630,640,734	15.6%	8.47%	9.13%	4.73%
Hathaway Scholarship Endowment Func	518,590,587	533,108,982	3.2%	6.73%	7.98%	6.07%
Higher Education Endowment Func	110,870,385	113,851,145	0.7%	6.77%	7.91%	5.97%
Workers Compensation Func	1,527,495,660	1,548,607,357	9.2%	4.75%	6.64%	6.51%
Tobacco Settlement Fund	70,497,050	68,972,215	0.4%	0.5%	4.23%	5.83%
State Agency Pool	<u>5,750,723,246</u>	<u>5,664,627,675</u>	33.6%	0.59%	3.56%	5.07%
Wyoming State Total Func	<u>\$16,562,713,404</u>	<u>\$16,840,745,814</u>	100.0%	5.11%	6.81%	4.87%
<i>Wyoming State Actual Allocation Index</i>				4.66%	6.23%	4.32%
INVESTMENTS BY ASSET CLASS AND MANAGER						
US Equity						
State Street Global Advisors (Index)	\$1,545,328,670	\$1,783,487,965		20.50%	18.41%	7.07%
UW Portfolio Management Program	620,367	656,705		8.65%	7.79%	-1.16%
<i>Index: S&P 500</i>				20.60%	18.45%	7.01%
US Large Cap Equity	<u>1,545,949,037</u>	<u>1,784,144,670</u>	10.6%			
Gabelli (Sm-Mid Cap Value)	\$295,476,142	\$351,631,166		25.09%	19.14%	11.40%
<i>Russell 2500 Value</i>				26.88%	18.92%	9.42%
US SMID Cap Equity	<u>295,476,142</u>	<u>351,631,166</u>	2.1%			
Total US Equity	<u>\$1,841,425,179</u>	<u>\$2,135,775,836</u>	12.7%			
International Equity						
The Boston Company Int'l Value Ex	\$156,554,878	\$154,180,650		17.36%	n/a	n/a
<i>MSCI AWC ex-U.S. Value</i>				12.87%	7.23%	-0.62%
Northern Trust Int'l Ec	780,941,154	806,133,598		13.57%	n/a	n/a
Manning & Napier Int'l Ec	234,975,360	245,601,464		19.83%	n/a	n/a
<i>MSCI AWC ex-U.S.</i>				13.63%	7.99%	-0.80%
Fisher Int'l Eq	389,198,746	428,847,120		14.63%	11.35%	0.37%
<i>Fisher Custom Benchmark</i>				13.63%	8.14%	-1.47%
Total International Equity	<u>\$1,561,670,138</u>	<u>\$1,634,762,832</u>	9.7%			
US Fixed Income						
State Street TIPS	\$747,853,603	\$692,182,076		n/a	n/a	n/a
<i>Barclays US Trsry:US TIPS</i>				-4.78%	4.63%	4.41%
C.S. McKee	575,573,639	560,043,305		n/a	n/a	n/a
JP Morgan Core	1,685,910,866	1,630,473,537		n/a	n/a	n/a
MacKay Shields	912,627,912	885,978,129		n/a	n/a	n/a
Neuberger Berman Core	994,807,595	975,756,699		n/a	n/a	n/a
PIMCO Core	2,298,689,131	2,289,118,996		n/a	n/a	n/a
Wells Capital	579,394,713	564,380,399		n/a	n/a	n/a
<i>Barclays US Aggregate</i>				-0.69%	3.51%	5.19%
Neuberger Berman Credit	494,990,923	484,550,687		n/a	n/a	n/a
Seix	495,000,000	486,550,023		n/a	n/a	n/a
<i>Credit Custom Index</i>				6.45%	7.21%	7.49%
Investec	250,000,000	230,200,695		n/a	n/a	n/a
Stone Harbor	249,908,200	225,378,212		n/a	n/a	n/a
<i>JPM GBI-EM Gbl Dvfd</i>				5.44%	8.31%	11.15%
Wyoming State Treasurer's Office	402,255,683	405,276,519		-1.81%	1.35%	2.85%
<i>BC Gov/Credit</i>				-0.59%	2.33%	3.80%
Mandages Terminated						
WAMCO Core Plus	0	986,323		n/a	n/a	n/a
Neuberger Berman Core Plus	0	0		n/a	n/a	n/a
PIMCO Core Plus	0	0		n/a	n/a	n/a
<i>BC Aggregate</i>				-0.69%	3.51%	5.19%
PIMCO Mortgages	0	0		n/a	n/a	n/a
JP Morgan Mortgages	0	0		n/a	n/a	n/a
<i>BC Mortgages</i>				-1.10%	2.51%	4.84%
WAMCO Corporates	0	0		n/a	n/a	n/a
Logan Circle Corporates	0	0		n/a	n/a	n/a
<i>BC Credit</i>				0.84%	5.47%	6.97%
PIMCO Global/Emerging Markets	0	0		n/a	n/a	n/a
<i>Global/EM Custom Index</i>				2.34%	6.31%	7.60%
Total US Fixed Income	<u>\$9,687,012,266</u>	<u>\$9,429,889,279</u>	56.0%			

Note [1]: Returns are stated in traditional total return terms and do not specify realized income.

Note [2]: Market Value shown for WAMCO Core Plus represents residual assets from the liquidation process.

Note [3]: Seix was fully invested on 05/01/2013. Trailing period performance populates as "N/A".

Note [4]: The Credit Custom Benchmark consists of 20% Barclays US Credit, 20% BofA ML US HY master II Constrained, 60% S&P/LSTA Leveraged Loan.

Note [5]: The Global/EM Custom Index consists of 32.5% Barclays Aggregate Ex US Hedged, 5% Barclays Aggregate Ex US Unhedged, 47.5% JP Morgan EMBI, and 15% JP Morgan GBI-EM Global Diversified Unhedged.

MARKET PERFORMANCE (continued)
SUMMARY ANALYSIS - ALL INVESTMENTS

	FY 13			Market Return		
	Total Investment Value	Current Market Value	% of MV	FY13 Return	3 Year Return	5 Year Return
<u>Convertible Bonds</u>						
Allianz Global Investors Convertibles	\$409,140,715	\$475,472,232	2.8%	18.69%	14.57%	8.62%
<i>BofA ML All Quality Convertible</i>				18.60%	12.04%	6.96%
<u>Cash & Cash Equivalents</u>						
JP Morgan Cash Composite	\$1,263,976,202	\$1,265,118,894		0.17%	0.38%	0.87%
<i>JP Morgan Cash Custom Index</i>				0.13%	0.37%	0.87%
Total Cash & Cash Equivalents	<u>\$1,263,976,202</u>	<u>\$1,265,118,894</u>	7.5%			
<u>Private Equity</u>						
Cheyenne Capital Fund, LP	\$204,663,532	\$253,558,800			see note [4]	
Access Venture Partners II	6,423,423	13,386,106			see note [4]	
<i>S&P 500 + 5%</i>				26.63%	24.37%	12.36%
Total Private Equity	<u>\$211,086,955</u>	<u>\$266,944,906</u>	1.6%			
<u>Real Estate</u>						
Clarion Lion Properties	\$191,303,630	\$167,712,264		11.80%	17.04%	-2.81%
UBS Trumbull Property	141,303,630	133,744,241		9.81%	12.64%	1.75%
<i>NCREIF ODCE</i>				12.71%	14.96%	-0.15%
TA Realty Value-Added	14,974,171	10,450,534			see note [4]	
Heitman Value-Added	8,053,685	8,112,180			see note [4]	
WestRiver Value-Added	62,695,038	66,316,564			see note [4]	
Cornerstone Value-Added	20,112,502	22,142,259			see note [4]	
<i>NCREIF Property</i>				10.73%	13.14%	2.79%
Total Real Estate	<u>\$438,442,656</u>	<u>\$408,478,042</u>	2.4%			
<u>Absolute Return</u>						
PAAMCO	\$369,360,760	\$402,786,645		11.54%	5.29%	1.18%
Aurora L.P.	162,461,240	172,541,088		8.87%	3.62%	1.27%
Aurora L.P. II	208,352,520	220,087,487		8.51%	3.35%	n/a
<i>HFN FOF Multi-Strat</i>				7.32%	2.95%	-0.91%
Grosvenor Global Recovery Fund	36,803,165	54,891,580		20.28%	13.09%	n/a
<i>Global Recovery Custom Index</i>				21.47%	10.44%	6.69%
Total Absolute Return	<u>\$776,977,685</u>	<u>\$850,306,801</u>	5.0%			
<u>Wyoming Investments</u>	<u>\$372,981,607</u>	<u>\$373,010,669</u>	2.2%	n/a	n/a	n/a

Note [1]: Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.

Note [2]: Returns are stated in traditional total return terms and do not specify realized income.

Note [3]: Market values for non-core real estate and private equity are as of the most recent valuation, adjusted for subsequent cash flows. Investment (Cost) Values are not lagged.

Note [4]: Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives report.

Note [5]: The Global Recovery Custom Index consists of 50% Credit Suisse Distressed Index, 20% Credit Suisse High Yield Index, and 30% ABX Index.

Note [6]: Market values shown for Wyoming Investments reflect cost value of the investments, except at fiscal year end.

PERMANENT WYOMING MINERAL TRUST FUND

Fiscal Years 09 through 13 Analyzed and Compared

(\$ Millions)

	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>
Beginning Book Value	\$3,896.6	\$4,262.2	\$4,555.4	\$5,050.0	\$5,440.9
Beginning Market Value	4,135.4	3,893.8	4,414.1	5,325.8	5,595.5
- Difference	238.9	(368.3)	(141.3)	275.8	154.5
- Percent	6.1%	-8.6%	-3.1%	5.5%	2.8%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$290.7	\$174.1	\$252.3	\$232.7	\$207.3
- Add'l Severance Tax	193.8	116.1	168.2	155.1	138.2
- Additional Legislative Deposits/Diversions	0.0	(56.5)	(17.8)	0.0	0.0
- Spending Policy Reversions	0.0	0.0	32.4	0.0	102.1
- Spending Policy for Prior Year Adjustment	0.0	0.0	0.0	3.1	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	(118.9)	59.5	59.4	0.0	0.0
Total Increase to Corpus	\$365.6	\$293.2	\$494.6	\$390.9	\$447.6
Ending Book Value	\$4,262.2	\$4,555.4	\$5,050.0	\$5,440.9	\$5,888.5
Ending Market Value	3,893.8	4,414.1	5,325.8	5,595.5	6,112.8
- Difference	(368.3)	(141.3)	275.8	154.5	224.2
- Percent	-8.6%	-3.1%	5.5%	2.8%	3.8%
Total Distributed Income (gross of fees)					
- Interest	101.4	100.1	84.8	90.3	79.0
- Dividend	38.8	38.0	44.4	54.4	61.3
- Realized Net Capital Gain	2.5	7.7	93.1	99.8	232.8
Change in Book Value	\$365.6	\$293.2	\$494.7	\$390.9	\$447.6
Change in Market Value	(241.6)	520.2	911.7	269.7	517.3
Cash Yield	3.42%	3.30%	4.63%	4.65%	6.57%
Total Return	-13.82%	11.31%	16.52%	1.98%	8.19%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS

Revenue Receipts Fiscal Year 2013

	<u>JUNE 30, 2012</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2013</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$5,440,883,650		
Severance Tax			
Coal		\$113,253,895	
Stripper Oil		14,007,380	
Other Valuable Products		1,749,496	
Oil		81,468,301	
Natural Gas		120,063,514	
Condensate-Gas		14,959,286	
Spending Policy for Prior Year Adjustment W.S. 9-4-719		102,069,278	
		TOTAL REVENUE	
		\$447,571,151	\$5,888,454,801

COMMON SCHOOL PERMANENT LAND FUND
Fiscal Years 09 through 13 Analyzed and Compared
(\$ Millions)

	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>
Beginning Book Value	\$1,682.7	\$1,794.4	\$1,967.6	\$2,129.9	\$2,318.0
Beginning Market Value	1,766.0	1,622.5	1,901.5	2,236.5	2,371.3
- Difference	83.3	(172.0)	(66.1)	106.6	53.3
- Percent	5.0%	-9.6%	-3.4%	5.0%	2.3%
Additions to Corpus					
- Sales, Royalties, etc.	\$163.8	\$140.9	\$142.4	\$187.6	\$176.8
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	0.0	0.0	0.0	0.5	38.7
- Income Accrued	0.0	7.6	0.0	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	(52.1)	24.6	27.5	0.0	0.0
- Reverse Income Accrued	0.0	0.0	(7.6)	0.0	0.0
Total Increase to Corpus	\$111.7	\$173.1	\$162.3	\$188.1	\$215.4
Ending Book Value	\$1,794.4	\$1,967.6	\$2,129.9	\$2,318.0	\$2,533.4
Ending Market Value	1,622.5	1,901.5	2,236.5	2,371.3	2,630.6
- Difference	(172.0)	(66.1)	106.6	53.3	97.2
- Percent	-9.6%	-3.4%	5.0%	2.3%	3.8%
Total Distributed Income (gross of fees)	\$60.1	\$57.1	\$101.0	\$103.2	\$145.6
- Interest	40.5	36.8	38.3	38.5	34.7
- Dividend	17.8	16.4	19.2	23.4	26.4
- Realized Net Capital Gain	1.8	3.9	43.5	41.4	84.5
Change in Book Value	\$111.7	\$173.1	\$162.3	\$188.1	\$215.4
Change in Market Value	(143.6)	279.0	335.0	134.8	259.3
Cash Yield	3.37%	3.20%	4.94%	4.62%	5.96%
Total Return	-13.25%	11.77%	17.48%	1.98%	8.47%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

3. "Income Accrued" represents income held in Common School Pool on June 30.

4. Includes Common School Permanent Land Fund II.

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2013

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2012 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2013 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$48,897,331		
Oil & Gas Lease Royalties		\$109,118	
Sodium & Trona Lease Royalties		3,333,052	
Right-of-Way Easements		159	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>718,791</u>	
		\$4,161,120	\$53,058,450
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$6,864,926		
Miscellaneous Mineral Royalties		\$161	
Oil & Gas Lease Royalties		65,388	
Sand & Gravel Royalties		163	
Right-of-Way Easements		258	
Surface Damage		6,301	
Real Estate-Sales		14,302	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>100,914</u>	
		\$187,487	\$7,052,414
<u>L03 FISH HATCHERY</u>			
Beginning Balance	\$431,304		
Inflation Proofing Income Diversion W.S. 9-4-305(b)		\$6,340	
		\$6,340	\$437,644
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$2,313,017,076		
Bentonite Lease Royalties		\$1,055,102	
Coal Lease Royalties		41,056,914	
Miscellaneous Mineral Lease Royalties		38,779	
Oil & Gas Lease Royalties		112,889,095	
Sand & Gravel Royalties		454,039	
Sodium & Trona Lease Royalties		1,294,168	
Right-of-Way Easements		577,319	
Uranium Lease Royalties		2,558	
Surface Damage		1,624,691	
Real Estate Sales		17,716,125	
Real Estate Sales		50,000	
Spending Policy Reserve to Corpus W.S. 9-4-719		<u>38,656,639</u>	
		\$215,415,427	\$2,528,432,503

L14 COMMON SCHOOL II (1)(2)

Beginning Balance	\$5,000,000		
		\$0	\$5,000,000

L05 DEAF, DUMB & BLIND

Beginning Balance	\$3,930,639		
Oil & Gas Lease Royalties		\$11,902	
Right-of-Way Easements		19,009	
Surface Damage		10,552	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>57,780</u>	
		\$99,243	\$4,029,882

L06 CAREY ACT

Beginning Balance	\$1,938,094		
Bentonite Lease Royalties		\$32,990	
Right-of-Way Easements		10,482.81	
Real Estate Sales		114,000.00	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>28,489.98</u>	
		\$185,962	\$2,124,056

L07 OMNIBUS

Beginning Balance	\$39,950,992		
Oil & Gas Lease Royalties		\$3,747,563	
Sand & Gravel Royalties		31,927.78	
Right-of-Way Easements		580.95	
Surface Damage		94,471.20	
Per Session Laws 2012 Ch 26, Sec3, Sec 006		(1,010,865.00)	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>587,279.59</u>	
		\$3,450,957	\$43,401,950

L08 WYOMING STATE HOSPITAL

Beginning Balance	\$3,853,235		
Oil & Gas Lease Royalties		\$81,554	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		56,642.56	
Per Session Laws 2010 Ch 39, Sec2, Sec 048		(425,274.07)	
		(\$287,078)	\$3,566,158

L09 WYOMING STATE TRAINING SCHOOL

Beginning Balance	\$3,183,782		
Oil & Gas Lease Royalties		\$593,882	
Right-of-Way Easements		(864.79)	
Surface Damage		4,990.11	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		46,801.60	
Per Session Laws 2010 Ch 39, Sec2, Sec 048		(188,375.91)	
		\$456,433	\$3,640,215

L10 WYOMING STATE PENITENTIARY

Beginning Balance	\$13,257,975		
Oil & Gas Lease Royalties		\$3,444,308	
Right-of-Way Easements		11,190.75	
Surface Damage		5,988.80	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>194,892.23</u>	
		\$3,656,379	\$16,914,354

L11 WYOMING STATE AGRICULTURAL COLLEGE (1)

Beginning Balance	\$9,530,475		
Oil & Gas Lease Royalties		\$288,012	
Right-of-Way Easements		3,362.56	
Surface Damage		13,054.40	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>140,097.98</u>	
		\$444,527	\$9,975,002

L12 WYOMING STATE UNIVERSITY (1)

Beginning Balance	\$17,998,303		
Oil & Gas Lease Royalties		\$178,077	
Right-of-Way Easements		3,943.43	
Surface Damage		4,146.88	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>264,575.05</u>	
		\$450,742	\$18,449,045

TOTAL REVENUE \$228,227,541

1. These funds are not available for appropriation.

2. In Fiscal Year 2009 Common School Permanent Land Fund II was added to the Common School Pool along with Common School Permanent Land Fund and is being invested there. Income is diverted to the Education Trust Fund per Special Session Laws 1997 Ch. 3 Section 504.

3. Revenue from above "sales" is the principal payment from the sale of state lands and from right-of-ways granted on state lands. "Royalties" are derived from oil and mineral leases on state lands.

WYOMING INVESTMENTS
As of June 30, 2013

<u>Program</u>	<u>See Notes</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Investments for Public Purposes</u>				
Farm Loans	A	\$275,000,000	\$22,644,851	\$252,355,149
Irrigation Loans	B	20,000,000	916,786	19,083,214
Joint Powers Loans	C	60,000,000	5,656,396	54,343,604
Hot Springs State Park	D	2,000,000	38,515	1,961,485
Small Business Assistance & FmHA Ag Loans	E	0	87,227	0
Shoshone Municipal Pipeline Treatment Plant	F	16,500,000	12,829,247	0
Sheridan Area Water Treatment Project	G	6,750,000	0	0
Laramie Territorial Park Loan	H	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	I	2,000,000	0	2,000,000
Industrial Development Bonds	J	300,000,000	0	300,000,000
Airport Loans-Aeronautics Commission	K	10,000,000	4,773,298	5,226,702
Gillette Madison Pipeline Project	L	29,552,239	29,552,239	0
Redevelopment Area Programs	M	300,000	0	300,000
Wyoming Real Estate-State Land Purchases	N	21,587,974	18,335,738	3,252,236
		<u>\$753,690,213</u>	<u>\$104,834,297</u>	<u>\$638,522,390</u>

The list of investments shown above are investments of state funds for a specific public purpose, other than permissible investments made in compliance with state investment policy under W.S. 9-4-715 through 9-4-719 and 9-4-831, which are authorized or directed by the legislature in law. As stipulated in W.S. 9-4-715(n), total investments of permanent funds for a specific public purpose authorized or directed by the legislature are limited to six hundred dollars (\$600,000,000) excluding investments made pursuant to W.S. 37-5-406. Prior to the convening of each general session of the legislature, the State Treasurer shall, after consultation with the State Loan and Investment Board, recommend to the Select Committee on Capital Financing and Investments whether any adjustment should be made in the limitation. The Treasurer closely monitors the outstanding balances of all public purpose investments to ensure the statutory limitation is not exceeded. Most of these investments are made from the Permanent Wyoming Mineral Trust Fund.

In addition to the specific public purpose investments listed above, the following statutory commitments have been made:

<u>Other Wyoming Investments</u>	<u>Outstanding Investments</u>
Basin Electric Power Bond	\$30,315,000.00
Cheyenne Stage II GIC	1,508,310
Drainage District Bonds	24,000
Time Deposit Open Account Banking Program O	236,300,000
	<u>\$268,147,310.00</u>
Total Wyoming Investments	<u>\$372,981,607.00</u>

WYOMING INVESTMENT NOTES & STATUTORY REFERENCES

INVESTMENTS FOR PUBLIC PURPOSES:

- (A) Farm loans under W.S. 11-34-129; \$275 million authorized of which \$27.5 million is for beginning agriculture producer loans and \$55 M is for a livestock enhancement program;
- (B) Irrigation district loans under W.S. 11-34-301;
- (C) Joint Powers loans under W.S. 16-1-109;
- (D) Hot Springs State Park loans under W.S. 36-8-318;
- (E) Guaranteed portion of certain Small Business Assistance Act loans and guaranteed portion of certain Farmers Home Administration. Up to \$55 million was previously authorized and no new loans were to be made after December 31, 2006. W.S. 9-4-701(e) was repealed when investment statutes were amended in the 2008 legislative session;
- (F) Shoshone municipal water treatment project, under 1987 Wyoming Session Laws, Chapter 117, as amended;
- (G) Sheridan area water treatment project, under 1989 Wyoming Session Laws, Chapter 230, as amended. Loan paid off during FY13;
- (H) Laramie Territorial Park, under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (I) W.S. 9-4-715(j), deferred property taxes;
- (J) W.S. 9-4-715(m), industrial development bonds, no investment in excess of one hundred million dollars (\$100,000,000) is to be made for any one project without specific legislative authority; expires 06/30/17 unless extended;
- (K) Airport construction, development and improvement loans under W.S. 9-12-703;
- (L) Gillette Madison pipeline project, 2009 WY Session Laws Ch 103 (\$5,527,500), and 2010 WY Session Laws Ch 115 (\$8,085,000), and 2011 WY Session Laws Ch. 61 (\$15,939,739). Interest on monies loaned does not begin to accrue until the water development commission determines the project beneficial to the sponsor;
- (M) Area Development Program under 11-34-303;
- (N) W.S. 9-4-715(k) authorizes the investment of funds received from sale of state trust lands plus up to \$2,000,000 one-time seed money contained in the Common School Permanent Land Fund (CSPLF) by purchasing land and improvements within Wyoming as assets of the Trust. There was also \$4 million appropriated to the State Loan and Investment Board from the CSPLF in 2005 for this purpose as well.

OTHER WYOMING INVESTMENTS:

- (O) W.S. 9-4-803 authorizes the State Treasurer to deposit state funds in approved Wyoming banks and Wyoming savings and loans. Currently, the amount the State Treasurer has made available to banks each year is five percent (5%) of the State Agency Pool assets as of December 31.

WYOMING INVESTMENTS BY FUND
June 30, 2013

Interest Paid			Rate	Loan Balance		
Fund	Investment	Amount	By Investment	Fund	Investment	Amount
<u>State Agency Pool</u>				<u>State Agency Pool</u>		
	TDOAs	\$383,337	0.18%		TDOAs	\$236,300,000
	Subtotal	\$383,337			Subtotal	\$236,300,000
 <u>Common School Perm. Land Fund</u>				 <u>Common School Perm. Land Fund</u>		
	Lovell Drainage District	\$0	4.00%		Lovell Drainage District	\$24,000
	School Foundation Borrowing	4,454,167	6.00%		School Foundation Borrowing	0
	Wyoming Real Estate	0	0.00%		Wyoming Real Estate	18,335,738
	Subtotal	\$4,454,167			Subtotal	\$18,359,738
 <u>Permanent Mineral Trust Fund</u>				 <u>Permanent Mineral Trust Fund</u>		
	Aeronautics Loans	\$271,721	5.00%		Aeronautics Loans	\$4,773,298
	Farm Loans	1,412,998	7.75%		Farm Loans	22,644,851
	Hot Springs St Park	3,219	6.25%		Hot Springs St Park	38,515
	Irrigation Loans	50,454	5.00%		Irrigation Loans	916,786
	JPA Loans	914,579	6.90%		JPA Loans	5,656,396
	Local Government Loans	150,000	1.50%		Local Government Loans	10,000,000
	SBAA	4,686	3.45%		SBAA	87,227
	Water Develop Loans- Gillette	0	4.00%		Water Develop Loans	29,552,239
	Water Develop Loans	562,506	4.00%		Water Develop Loans	12,829,247
	GIC AIG Financial	273,580	6.50%		GIC AIG Financial	1,508,310
	GIC Metropolitan Life	16,563	7.45%		GIC Metropolitan Life	0
	WIA Basin Electric	1,482,978	4.69%		WIA Basin Electric	30,315,000
	Subtotal	\$5,143,285			Subtotal	\$118,321,869
	TOTAL	\$9,980,788			TOTAL	\$372,981,607

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SECURITIES LENDING INCOME

July 1, 2012 thru June 30, 2013

In cooperation with JP Morgan Chase Bank, Wyoming runs a very conservative & prudent securities lending program. Income from the overall program is allocated back to each fund from which the securities are loaned & substantial additional income is achieved for the State of Wyoming.

JP Morgan Chase Bank			
7/12 - 5/13			
	GROSS	ACCRUED REBATE AND	NET INCOME
	INCOME	BANK FEES	RECOGNIZED
Common School Permanent Land Fund	\$1,105,850.67	\$63,327.62	\$1,042,523.05
Permanent Land Funds Pool	63,363.74	\$4,235.90	\$59,127.84
University Permanent Land Fund	8,163.24	\$452.82	\$7,710.42
Hathaway Endowment Fund	233,316.47	\$27,350.21	\$205,966.26
Higher Education Endowment Fund	50,946.15	\$5,926.23	\$45,019.92
Worker's Compensation Fund	599,130.47	\$112,291.88	\$486,838.59
Permanent Mineral Trust Fund	2,611,011.52	\$161,089.84	\$2,449,921.68
Tobacco Settlement Fund	26,343.83	\$9,678.67	\$16,665.16
State Agency Pool	2,017,325.75	\$749,103.83	\$1,268,221.92
TOTAL	\$6,715,451.84	\$1,133,457.00	\$5,581,994.84

JP Morgan Chase Bank Securities Lending Loss

	LOSS RECOGNIZED
Common School Permanent Land Fund	(\$1,331,704.95)
Permanent Land Funds Pool	(66,585.25)
University Permanent Land Fund	(9,345.30)
Hathaway Endowment Fund	(299,049.53)
Higher Education Endowment Fund	(65,417.09)
Worker's Compensation Fund	(1,011,628.49)
Permanent Mineral Trust Fund	(3,046,567.14)
Tobacco Settlement Fund	(73,594.22)
State Agency Pool	(5,777,730.41)
TOTAL	(\$11,681,622.38)

Securities lending loss is due to the Key Bank securities lending program.

Securities lending income is included in the total investment income reported for FY 13.

The Net Income Recognized includes a final adjustment to the international securities lending income. It is not included in the Gross Income or the Expenses.

INVESTMENT ACCOUNT BALANCES
As Of June 30, 2013

FUND/ACCOUNT NAME	CASH & RECEIVABLES* (STATE AGENCY POOL INVESTMENTS)	INVESTMENTS (at Cost)	ACCOUNT BALANCE (Corpus)
Miner's Hospital Permanent Land Fund	\$5,619,579.91	\$47,438,870.42	\$53,058,450.33
Public Buildings At Capitol Permanent Land Fund	746,942	6,305,471	7,052,414
Fish Hatchery Permanent Land Fund	46,352	391,292	437,644
Common School Permanent Land Fund	288,194,859	2,240,237,644	2,528,432,503
Common School II	5,000,000	0	5,000,000
D.D. & B. Asylum Permanent Land Fund	426,817	3,603,065	4,029,882
Carey Act Permanent Land Fund	224,965	1,899,091	2,124,056
Omnibus Permanent Land Fund	4,596,831	38,805,119	43,401,950
State Hospital Permanent Land Fund	377,702	3,188,455	3,566,158
State Training School Permanent Land Fund	385,546	3,254,669	3,640,215
Penitentiary Permanent Land Fund	1,791,450	15,122,904	16,914,354
Agricultural College Permanent Land Fund	1,056,482	8,918,520	9,975,002
University Permanent Land Fund	984,584	17,464,461	18,449,045
Subtotal-Permanent Land Fund	\$309,452,112	\$2,386,629,562	\$2,696,081,674
Permanent Wyoming Mineral Trust Fund	\$471,646,401	\$5,416,808,400	\$5,888,454,801
Tobacco Settlement Fund	719,408	69,777,642	70,497,050
Hathaway Scholarship Endowment	44,558,740	474,031,847	518,590,587
Higher Education Endowment	7,996,138	102,874,247	110,870,385
Subtotal-All Permanent Funds	\$834,372,799	\$8,450,121,699	\$9,284,494,497
Worker's Compensation	110,677,583	1,416,818,078	1,527,495,660
Total Permanent Funds & Worker's Compen	\$945,050,381	\$9,866,939,776	\$10,811,990,158
State Agency Pool	(945,050,381)	6,695,773,628 **	5,750,723,246
TOTAL	\$0	\$16,562,713,404	\$16,562,713,404

*The Cash & Receivables column represents the portion of the state agency pool investment attributable to each of the permanent funds, the Hathaway Scholarship Endowment fund, the Higher Education Endowment fund and the Worker's Compensation fund and is included in each specific fund, thus it is removed from the State Agency Pool cash & receivables balance.

**The State Agency Investment Pool includes the total of the cash & receivable column plus the cash balance of all the other funds for which specific investments have not been made.

SPENDING POLICY RESERVE ACCOUNTS

PERMANENT WYOMING MINERAL TRUST FUND COMMON SCHOOL PERMANENT LAND FUND EXCELLENCE IN HIGHER EDUCATION FUND

The Wyoming State Legislature established investment earnings spending policy reserve accounts for three of the state's permanent funds; the Permanent Wyoming Mineral Trust Fund (PWMTF), the Common School Account within the Permanent Land Fund (CSPLF) and the Excellence in Higher Education Fund (Higher Ed Fund).

In the 2000 Session, the Legislature established annual spending policy amounts for earnings from PWMTF and the CSPLF. To the extent earnings exceed the amount set in statute for the PWMTF, the excess flows to the PWMTF reserve account. For the CSPLF, earnings in excess of the spending policy amount still flow to the Common School land income account and School Foundation Program account; however, an automatic appropriation is made from "over the \$200 million cap" in federal mineral royalties which would otherwise be deposited into the School Foundation Program account in an amount equal to the excess earnings to the CSPLF reserve account. Monies in the reserve accounts are available to supplement earnings for those years in which earnings fail to reach the spending policy amounts. If the reserve accounts reach more than 75 percent of the spending policy amount, the excess reserves are placed in the appropriate corpus. The purpose of these spending policies is to make the earnings flow consistent and to protect the corpus from inflation.

During the 2007 Session, an annual spending policy amount and a spending policy reserve account was established for the Higher Ed Fund. Like the PWMTF spending policy and reserve account, to the extent earnings from the Higher Ed Fund exceed the spending policy amount, excess earnings flow to the Higher Ed reserve account. Once the reserve account reaches more than 75 percent of the spending policy amount, the excess reserves are placed in the Higher Ed Fund corpus. The 2007 legislation also provided for a continuous appropriation from the Higher Ed reserve account to supplement the spending from the earnings of the Higher Ed Fund in those years earnings fail to meet the spending policy amount. (This automatic appropriation of funds from the PWMTF and CSPLF reserve accounts was repealed in 2004.)

The spending policy amount for FY 13 for each of these permanent funds is based on the statutory percentage rate of 5 percent of the five-year rolling average market value. At the end of FY 13, \$102,069,278 flowed into the corpus of the PWMTF, \$38,656,639 flowed into the CSPLF corpus and \$2,462,258 flowed into the Higher Ed Fund corpus.

The following three pages illustrate how the spending policy reserve accounts for the PWMTF, the CSPLF and the Higher Ed Fund work.

**SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWMTF)
2013 FISCAL YEAR END (06-30-13)**

last update 07/17/13

W.S. 9-4-719 established annual spending policy amounts from the PWMTF (currently five percent (5%) of the average five (5) year rolling average market value) and created the PWMTF reserve account. To the extent earnings from the PWMTF exceed the five percent (5%) spending policy amount, the excess earnings flow to the PWMTF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the PWMTF.

The spending policy amount for fiscal year 2013 was \$233,646,816. Total PWMTF investment income for FY13 was \$366,635,722. As investment earnings exceeded the five percent (5%) spending policy amount, \$132,988,905 flowed to the spending policy reserve account at the end of fiscal year 2013, leaving a fiscal year end balance in the reserve account of \$277,304,390. This amount exceeded 75% of the spending policy amount by \$102,069,278 which spilled over to Corpus and left an ending balance in the reserve account of \$175,235,112 at the end of fiscal year 2013.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	1,396,009,173	1998										
7/1/98	1,507,006,444	1999										
7/1/99	1,540,767,270	2000										
7/1/00	1,539,636,928	2001										
7/1/01	1,755,553,508	2002	1,547,794,665	8.000%	123,823,573	90,510,496	0			92,867,680	0	
7/1/02	1,864,380,749	2003	1,641,468,980	7.625%	125,162,010	58,647,855	0			93,871,507	0	
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (f)		10,598,475	65,633,881	0	10,598,475
7/1/04	2,218,179,475	2005	1,885,719,246	5.000%	94,285,962	87,789,397	0	44,500,000 (b)	56,747,488 (c)	70,714,472	0	55,098,475 (d)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (f)		74,583,915	78,350,382	0	74,583,915
7/1/06	3,070,623,840	2007	2,352,357,584	5.000%	117,617,879	150,487,083	32,869,204 (f)		107,453,119	88,213,409	19,239,709 (e)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	321,357,789	185,102,897		273,316,306	102,191,169	171,125,137	102,191,169
7/1/08	4,135,435,366	2009	3,142,015,809	5.000%	157,100,790	135,264,226	0		102,191,169	117,825,593	0	102,191,169
7/1/09	3,893,843,313	2010	3,477,148,576	5.000%	173,857,429	139,450,800	0	54,264,775 (g)	156,455,944	130,393,072	0 (h)	156,455,944
7/1/10	4,414,080,035	2011	3,848,412,926	5.000%	192,420,646	215,755,659	23,335,013		179,790,957	144,315,485	35,475,472 (i)	144,315,485
7/1/11	5,325,828,961	2012	4,299,453,950	5.000%	214,972,698	205,847,144 (j)			144,315,485	161,229,523	0	144,315,485
7/1/12	5,595,493,940	2013	4,672,936,323	5.000%	233,646,816	366,635,722	132,988,906		277,304,391	175,235,112	102,069,278	175,235,112

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) Appropriation from General Fund to this reserve account-2004 budget session
- (c) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (d) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to general fund.
- (e) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values
- (f) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to general fund
- (g) Reflects the net of the special appropriation of severance tax into the reserve account which amounted to \$74,264,775 (2009 session laws, Ch 159, Sec. 350) and the appropriation of \$20,000,000 from this reserve account to the office of state lands and investments to be allocated to cities, towns and counties (2010 Session laws, Ch 39, Sec 335)
- (h) 2010 Session laws, Ch 39, Sec 301(a) - no funds are to spill over to corpus until June 30, 2012
- (i) 2011 Session laws, Ch 88, Sec 301 repeals the provision of Ch 39, Sec 301(a) of the 2010 session laws such that funds are to once again spill over to corpus if the balance in reserve exceeds the spending policy amount.
- (j) 2012 Session laws, Ch 26, Sec 300 (c) - excludes \$30 million from earnings calculation for general fund appropriation to AML fund balancing account

**SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)
2013 FISCAL YEAR END (06-30-13)**

last update 07/20/13

W.S. 9-4-719 established annual spending policy amounts from the CSPLF (currently five percent (5%) of the average five (5) year rolling average market value) and created the CSPLF reserve account. To the extent earnings from the CSPLF exceed the five percent (5%) spending policy amount, the excess earnings flow to the CSPLF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the CSPLF.

The spending policy amount for fiscal year 2013 was \$98,978,909. Total CSPLF investment income for FY13 was \$142,833,282. As investment earnings exceeded the five percent (5%) spending policy amount, \$43,854,372 flowed to the spending policy reserve account at the end of fiscal year 2013, leaving a fiscal year end balance in the reserve account of \$112,890,821. This amount exceeded 75% of the spending policy amount by \$38,656,639 which spilled over to Corpus and left an ending balance in the reserve account of \$74,234,182 at the end of fiscal year 2013.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income *	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	782,431,215	1998										
7/1/98	838,949,498	1999										
7/1/99	857,362,587	2000										
7/1/00	839,611,767	2001										
7/1/01	899,161,216	2002	843,503,257	8.200%	69,167,267	37,700,000	0			51,875,450	0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	0			51,239,278	0	
7/1/03	1,013,895,764	2004	908,075,995	5.000%	45,403,800	48,190,294	2,786,494 (h)		2,786,494	34,052,850	0	2,786,494
7/1/04	1,014,318,667	2005	939,467,211	5.000%	46,973,361	51,092,246	4,118,885 (h)	30,000,000 (b)	37,852,862 (e)	35,230,020	2,622,841 (g)	34,282,538 (f)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (h)	(13,500,000) (c)	37,898,288	37,672,073	226,214 (g)	37,672,073
7/1/06	1,371,627,543	2007	1,099,081,882	5.000%	54,954,094	65,520,931	10,566,837 (h)	(4,200,000) (d)	30,538,910	41,215,571	0	30,538,910
7/1/07	1,678,302,393	2008	1,248,672,632	5.000%	62,433,632	133,866,782	71,433,150		101,972,060	46,825,224	55,146,837	46,825,224
7/1/08	1,766,046,029	2009	1,399,102,685	5.000%	69,955,134	56,969,255	0	167,274 (i)	46,992,498	52,466,351	0	46,992,498
7/1/09	1,622,477,081	2010	1,520,734,368	5.000%	76,036,718	54,643,154	0		46,992,498	57,027,539	0 (j)	46,992,498
7/1/10	1,901,503,362	2011	1,667,991,282	5.000%	83,399,564	98,387,094	14,987,530		61,980,028	62,549,673	0 (j)	61,980,028
7/1/11	2,236,530,927	2012	1,840,971,958	5.000%	92,048,598	99,567,151	7,518,553		69,498,581	69,036,448	462,132	69,036,448
7/1/12	2,371,333,538	2013	1,979,578,187	5.000%	98,978,909	142,833,282	43,854,373		112,890,821	74,234,182	38,656,639	74,234,182

Source: W.S. 9-4-719

* Does not include investment income on CSPLF II (\$5 million set aside from Express Pipeline Partnership of 1996) per 1997 session laws, ch 3, Sec 504

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) \$30,000,000 was appropriated from the school foundation account into this reserve account-2004 budget session
- (c) \$13,500,000 was appropriated from this reserve account into the Hathaway scholarship expenditure account-2006 budget session
- (d) \$4,200,000 was appropriated from this reserve account for distribution to the community colleges and the University of Wyoming to begin to implement the plan for excellence in the higher education endowment--\$2.8 million to UW and \$1.4 million equally split among the seven (7) community colleges.
- (e) Reflects addition of \$947,482 realized earned income on reserve account
- (f) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund
- (g) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve
- (h) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to general fund
- (i) UW returned \$167,274 of the \$2.8 million distributed from the \$4,200,000 appropriation to begin to implement the plan for the excellence in higher education endowment
- (j) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

**SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)
2013 FISCAL YEAR END (06-30-13)**

last update 07/20/13

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment fund (currently five percent (5%) of the average five (5) year rolling average market value) and created the Excellence in Higher Education Endowment (Higher Ed) reserve account. To the extent investment earnings from the Higher Ed Endowment fund exceed the five percent (5%) spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the investment earnings from the Higher Education Endowment fund are less than the five percent (5%) spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and seven community college foundations in accordance with W.S. 21-16-1201. Distributions of the annual spending policy amount is to be distributed on a quarterly basis, 2/3 to UW and 1/3 equally to the community colleges. If there are insufficient funds in the income account at the time the quarterly payments are to be made, then funds are to be taken from the reserve account to make the distributions to UW and the community colleges.

The spending policy amount for fiscal year 2013 was \$5,268,752. Total investment income from the Higher Education Endowment fund for FY13 was \$7,791,230 which exceeded the the five percent (5%) spending policy amount by \$2,522,478. This amount flowed into the spending policy reserve account at the end of fiscal year 2013. However, a total of 2,372,144 was transferred from the reserve account to the Higher Ed income account during FY13 as there were insufficient funds in the income account to make the quarterly payments to the colleges due to timing of the investment income distributions. A balance of \$2,559,132 in unexpended, unobligated funds was remaining in the income account at fiscal year end which was transferred to the reserve account. The balance in the reserve account at the end of fiscal year 2013 exceeded 75% of the spending policy amount by \$2,462,258, which spilled over to Corpus at the end of fiscal year 2013. The balance in the Higher Ed reserve account at the end of FY13 is \$3,951,564.

	Total As of Market Value	Rolling 5-year For FY Average	Spending Policy Level	Spending Policy Amount	Investment Income	Earnings over 5% of spending policy amount * to Reserve Acct	Earnings less than 5% of spending policy from Reserve Acct to be distributed	Legislative Appropriations	Transfers to (from) Reserve Account	Year End Reserve Balance Before Reversion to Corpus or to cover shortfall	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/05	929,697 (a)	2006	5.000%	0.00	0	0				0	0	0	0
7/1/06	48,379,952 (a)	2007	5.000%	2,418,998	726,921	0				0	1,814,248	0	0
7/1/07	78,867,967 (a)	2008	5.000%	3,181,198	4,474,394	1,293,196				1,293,196	2,385,898	0	1,293,196
7/1/08	104,820,958	2009	5.000%	3,867,815	3,926,014	151,616 (c)	0			1,444,812 (c)	2,900,861	0	1,444,812 (d)
7/1/09	96,094,847	2010	5.000%	4,102,047	3,493,118	0	(608,929)	3,852,480 (b)		4,688,364 (c)	3,076,535	0	4,688,364 (d)
7/1/10	102,674,540	2011	5.000%	4,308,383	6,086,019	1,777,636	0		(79,026)	6,386,974 (c)	3,231,287	0	6,386,974
7/1/11	111,455,707	2012	5.000%	4,939,140	5,634,089	694,949			30,558	7,112,481	3,704,355	3,408,126	3,704,355
7/1/12	111,829,141	2013	5.000%	5,268,752	7,791,230	2,522,478			186,988	6,413,821	3,951,564	2,462,257	3,951,564

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY06 - FY08 are based on Higher Ed portion of SAP market value
- (b) Appropriation - federal mineral royalty diversion - 2009 session, Ch 159, Sec 342
- (c) Reflects balance following correction of \$93,417, realized earned income-transfer out of Higher Ed income fund
- (d) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

EXCELLENCE IN HIGHER EDUCATION ENDOWMENT PROGRAM

Wyoming Statute 21-16-1201 through 1204, passed in 2005, authorized the creation of the Excellence in Higher Education Endowment Program which consists of three separate accounts, the Excellence in Higher Education endowment fund (Higher Ed fund), the Excellence in Higher Education income account (Higher Ed income account) and the Excellence in Higher Education endowment reserve account (Higher Ed reserve account).

A portion of the federal mineral royalties, over the \$200 million cap, was transferred from the School Foundation fund to the Higher Education fund (the corpus) until a maximum of \$105 million had been deposited. It was fully funded in April of fiscal year 2008.

The Higher Ed fund is retained by the State and invested by the State Treasurer in the same manner as any other permanent fund and held inviolate. Investment earnings from the Higher Ed fund (corpus) are transferred to the Higher Ed income account and distributed quarterly to the seven community colleges and the university.

W.S. 9-4-719(k), created the Higher Ed endowment reserve account and W.S. 9-4-719(o) established the annual spending policy amount for the Higher Ed fund (currently five percent of the average five-year rolling average market value). Earnings from the Higher Ed fund during each fiscal year in excess of the spending policy amount are deposited into the Higher Ed reserve account. To the extent investment earnings from the Higher Ed fund are less than the five percent spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and the seven community colleges in accordance with W.S. 21-16-1201. If the Higher Ed reserve account balance exceeds 75% of the spending policy amount, the excess is to flow to the Higher Ed fund (corpus).

The earnings distributed are used by the university and community colleges for the recruitment and retention of faculty, establishing endowed faculty positions and to acquire instructional and resource materials, classroom equipment and other resources necessary to support the work of endowed faculty.

The spending policy amount for fiscal year 2013 was \$5,268,752, which was distributed from the Higher Ed income account to the University of Wyoming and the seven (7) Wyoming community colleges. Pursuant to W.S.9-4-719 (m), earnings in excess of the spending policy amount, a total of \$2,522,479, were transferred out of the income account and into the reserve account. The balance in the Higher Ed reserve account at the end of fiscal year 2013 was \$6,413,822. This amount exceeded seventy-five percent of the spending policy amount for fiscal year 2013 by \$2,462,258, therefore, this amount spilled over from the Higher Ed reserve account to the Higher Education endowment fund (corpus) on 06/30/13 leaving an ending balance of \$3,951,564 in the Higher Ed reserve account at the end of fiscal year 2013.

**Excellence in Higher Education
Summary of Corpus**

For Period Ending	School Foundation FMRs up to \$105 million	Reserve Account Spillover	Ending Cash Balance	Ending Market Value
FY05	929,697		929,697	
FY06	\$54,697,351		\$55,627,048	\$929,697
FY07	\$23,697,924		\$79,324,972	\$48,379,952
FY08	\$25,675,028		\$105,000,000	\$78,867,967
FY09			\$105,000,000	\$104,820,958
FY10			\$105,000,000	\$96,094,847
FY11			\$105,000,000	\$102,674,540
FY12		\$3,408,127	\$108,408,127	\$111,455,707
FY13		\$2,462,257	\$110,870,385	111,829,141
TOTALS as of 06/30/13	\$105,000,000	\$5,870,384	\$110,870,385	

Higher Ed Income Account Summary

<u>For Period Ended</u>	<u>Investment Income</u>	<u>Distributed to UW & CC</u>	<u>Transfers from Reserve</u>	<u>End of FY Transfers to Reserve Account</u>	<u>Ending Cash Balance</u>
FY07	\$726,921	(\$726,921)			0.00
FY08	\$4,498,553	(\$3,181,198)		(\$1,293,196)	24,159.00
FY09	\$3,995,273	(\$3,867,815)		(\$58,199)	93,418.00
FY10	\$3,794,560	(\$4,102,047)	\$554,571	(\$340,502)	0.00
FY11	\$6,100,410	(\$4,323,128)	\$1,389,454	(\$3,166,736)	0.00
FY12	\$5,657,547	(\$4,924,395)	\$2,308,497	(\$3,041,649)	0.00
FY13	\$7,818,409	(\$5,268,752)	\$2,372,144	(\$4,921,801)	0.00
<u>TOTALS as of 06/30/13</u>	<u>\$32,591,673</u>	<u>(\$26,394,256)</u>	<u>\$6,624,666</u>	<u>(\$12,822,083)</u>	<u>0.00</u>

Higher Ed Reserve Account Summary

<u>For Period Ended</u>	<u>Transfers from Reserve Acct to Income Acct</u>	<u>End of FY Transfers from Income Acct</u>	<u>Legislative Appropriation</u>	<u>Spill over to Corpus</u>	<u>Investment income Earned on Reserve Account</u>	<u>Ending Cash Balance</u>
FY07						\$0
FY08		\$1,293,196				\$1,293,196
FY09		\$58,199	93417			\$1,444,812
FY10	(\$949,431)	\$340,502	\$3,852,480			\$4,688,363
FY11	(\$1,482,870)	\$3,181,481				\$6,386,974
FY12	(\$2,308,497)	\$3,026,904		(\$3,408,126)	\$7,101	\$3,704,356
FY13	(\$2,372,144)	\$4,921,801		(2,462,258)	159810	\$3,951,565
<u>TOTALS as of 06/30/13</u>	<u>(\$7,112,942)</u>	<u>\$12,822,083</u>	<u>\$3,945,897</u>	<u>(\$5,870,384)</u>	<u>\$166,911</u>	<u>\$3,951,565</u>

HATHAWAY STUDENT SCHOLARSHIP

Wyoming State Statute 21-16-1301 through 1302, authorized the creation of the Hathaway Scholarship Program which consists of three separate accounts, the Hathaway student scholarship endowment fund (Hathaway fund), the Hathaway scholarship expenditure account (expenditure account) and the Hathaway student scholarship reserve account (reserve account).

To fund the Hathaway Scholarship Program, a portion of the federal mineral royalties, over the \$200 million cap, was transferred from the School Foundation fund to the Hathaway fund until a maximum of \$400 million had been deposited. The Hathaway Scholarship Program was fully funded in April of fiscal year 2007.

The Hathaway fund (the corpus) is retained by the State and invested by the State Treasurer in the same manner as any other permanent fund and held inviolate. Interest earned on the corpus transferred to the Hathaway expenditure account to fund scholarships for Wyoming students to attend the Wyoming community colleges and the University of Wyoming, if students meet certain criteria set by the legislature.

At the end of each fiscal year, any unencumbered, unobligated funds in the Hathaway expenditure account must be transferred to the Hathaway reserve account. If funds in the Hathaway expenditure account are ever insufficient to cover payment for the scholarships, funds are to be transferred from the Hathaway reserve account to the Hathaway expenditure account.

At the end of each fiscal year, if funds in the reserve account are more than the greater of \$12 million or the amount equal to 3.75 percent of the previous five year average market value of the corpus, the excess amount in the reserve is transferred to the corpus on or after July 1 each year.

A total of \$33,627,614 of investment income was deposited into the expenditure account during FY2013 while \$15,333,728 was paid out in scholarships. A total of \$6,584,782 was transferred from the reserve account into the expenditure account during the fiscal year to fund scholarship payments due to timing of the payments and receipt of revenue.

At the end of FY 2013, there was \$24,878,668 residing in the expenditure account that was transferred to the reserve account in compliance with W.S. 21-16-1302(b). This left a balance of \$34,780,468 in the reserve account on June 30, 2013. Therefore, the excess in the reserve account above the statutory limit was \$17,250,198. This amount, therefore, spilled over to corpus leaving a final balance of \$17,530,270 in the reserve account at the end of FY2013 and a balance of \$518,590,587 in the Hathaway Scholarship Endowment fund (corpus) at the end of fiscal year 2013.

The following three pages provide a summary of the three Hathaway Scholarship accounts.

Hathaway Scholarship Endowment Fund Summary of Corpus

For Period Ended	School Foundation FMRs up to \$400 million	Coal Bonus	Reserve Account Spillover	Ending Cash Balance	Ending Market Value
FY05	3,397,432			3,397,432	
FY06	\$205,766,229			\$209,163,661	
FY07	\$89,149,332			\$298,312,993	
FY08	\$101,687,007		\$19,252,450	\$419,252,450	417,997,280
FY09		\$42,870,209	\$3,792,614	\$465,915,273	431,076,939
FY10		\$7,129,791		\$473,045,064	467,033,391
FY11				\$473,045,064	502,843,583
FY12			\$28,295,326	\$501,340,390	518,418,148
FY13			\$17,250,198	\$518,590,588	518,418,148
<u>TOTALS as of 06/30/13</u>	<u>\$400,000,000</u>	<u>\$50,000,000</u>	<u>\$68,590,588</u>	<u>\$518,590,588</u>	

Hathaway Scholarship Expenditure Account Summary

For Period Ended	Investment Income	Appropriated Funds (from CS reserve)	Scholarship Payments	Transfers from Reserve for Scholarships	End of FY Transfers to Reserve Account	Ending Cash Balance
FY07	\$12,902,185	\$13,500,000	(\$2,983,732)		(\$23,418,453)	\$0
FY08	\$18,257,535		(\$7,673,538)	\$1,717,263	(\$9,551,260)	\$2,750,000
FY09	\$16,801,974		(\$10,801,516)	\$3,964,942	(\$7,757,555)	\$4,957,845
FY10	\$16,992,416		(\$13,467,589)		(\$8,482,672)	\$0
FY11	\$31,037,236		(\$14,854,402)	\$5,844,289	(\$22,027,123)	\$0
FY12	\$25,160,195		(\$15,420,545)	\$6,512,127	(\$16,251,777)	\$0
FY13	\$33,627,614		(\$15,333,728)	\$6,584,782	(\$24,878,668)	\$0
TOTALS as of 06/30/13	\$121,151,541	\$13,500,000	(\$65,201,322)	\$18,038,621	(\$87,488,840)	\$0

Hathaway Scholarship Reserve Account Summary

<u>For Period Ended</u>	<u>Transfers from Reserve Acct to Expenditure Acct for Scholarships</u>	<u>End of FY Transfers from Expenditure Acct to Reserve Acct</u>	<u>Spill over to Corpus</u>	<u>Correction Investment Earnings on Reserve Acct to General fund</u>	<u>Investment income Earned on Reserve Account</u>	<u>Ending Cash Balance</u>
FY07		\$23,418,453				\$23,418,453
FY08	(\$1,717,263)	\$9,551,260	(19,252,450)			\$12,000,000
FY09	(\$3,964,942)	\$7,757,555	(3,792,613)			\$12,000,000
FY10		\$8,482,672				\$20,482,672
FY11	(\$5,844,289)	\$22,027,123		(\$2,276,327)		\$34,389,179
FY12	(\$6,512,127)	\$16,251,777	(28,295,326)		\$45,979	\$15,879,482
FY13	(\$6,584,782)	\$24,878,668	(17,250,198)		\$607,100	\$17,530,270
<u>TOTALS as of 06/30/13</u>	<u>(\$24,623,403)</u>	<u>\$112,367,508</u>	<u>(\$68,590,587)</u>	<u>(\$2,276,327)</u>	<u>\$653,079</u>	<u>\$17,530,270</u>

BANKING & TIME DEPOSIT OPEN ACCOUNT (TDOA)

Approved Depositories

The State Board of Deposits, consisting of the five elected officials, met on June 6, 2013 to consider the applications from Wyoming financial institutions to be designated as State Depositories under the provisions of the State Depository Law. The Board approved 44 financial institutions.

All deposits in excess of the federally insured amount are protected by a pledge of securities, mortgage loans or Certificate of Deposit Account Registry (CDARS), in lieu of a pledge of assets, to the State Treasurer as prescribed by statute.

The State Treasurer and the Department of Audit have determined that the parent and branches will be considered a single entity for FDIC Insurance, Time Deposit-Open Accounts (TDOAs) and other deposit programs. The parent bank will hold the depository relationship.

TDOA – Time Deposit Open Account

The TDOA program is a discretionary State Treasurer program by which public funds are placed in banks approved as eligible state depositories. This program assists banks that lack an asset base sufficient to meet their lending needs.

Banks utilizing this program must fully collateralize the deposits and pay interest to the State Treasurer at rates set quarterly by the State Loan and Investment Board. The Board meets quarterly, in advance of each calendar quarter, to set the interest rate for the ensuing quarter.

The TDOA rates for the four quarters of FY 13 were set at 0.16%, 0.19%, 0.18% and 0.17%. Therefore, the annualized TDOA rate for FY 13 was actually 0.18%.

TDOA income for FY 13 was \$383,337.

Only 24 of the 44 approved depositories had TDOA funds as of June 30, 2013.

TDOA Deposits in Wyoming Banks as of June 30, 2013 Totaled \$236,300,000

ANB (American National Bank)	24,000,000	Glacier Bank	76,155,000
Bank of Bridger	3,000,000	Johan Bank of Wyoming	1,000,000
Bank of Jackson Hole	50,000,000	Oregon Trail Bank	2,000,000
Buffalo Federal Savings Bank	2,400,000	Pinnacle Bank	9,200,000
Capital West Bank (FNB WY)	2,500,000	Platte Valley Bank	2,600,000
Central Bank and Trust	6,000,000	Points West Community Bank	5,000,000
Cheyenne State Bank	2,500,000	Security First Bank	1,000,000
Commerce Bank of Wyoming	20,000,000	Tri-County Bank	245,000
First Federal Savings	10,000,000	Uinta Bank	1,600,000
First National Bank of Gillette	3,900,000	Wyoming Bank and Trust	2,200,000
First State Bank	3,000,000	Wyoming Community Bank	2,000,000
FirsTier Bank	3,000,000	Wyoming State Bank	3,000,000

WYO-STAR

WYOMING STATE TREASURER'S ASSET RESERVE

In 1987, the Wyoming State Legislature authorized any county, municipality, school district or any other local government entity to participate in the WYO-STAR program (W.S. 9-1-416.) The Wyoming State Treasurer established an investment pool or common fund in which all monies are commingled for investment purposes.

Each WYO-STAR participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Separate accounts are maintained for each governmental entity.

The primary goal of the WYO-STAR portfolio is to pursue a short-term and extended-term fixed income investment strategy. The WYO-STAR portfolio maintains an exceptionally strong credit profile. This rigorous risk management approach has been tailored to meet the State's investment guidelines and position the WYO-STAR portfolio defensively.

Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

J. P. Morgan Asset Management manages the WYO-STAR portfolio.

All WYO-STAR investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831). WYO-STAR investments, conformance to state statutes, and manager performance are reviewed quarterly by the State Loan and Investment Board's consultant R.V. Kuhns.

General information about the WYO-STAR program, daily rate information and forms are available on the Treasurer's website.

Participants can access their accounts via the internet. This service is called Internet Participant Access System (IPAS).

As of June 30, 2013, there were 161 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2013, was \$637,610,226.

Participants earned \$1,247,349 in the FY 13.

WYO-STAR yields realized in FY 13 are as follows:

07/12	0.277%	01/13	0.193%
08/12	0.229%	02/13	0.202%
09/12	0.217%	03/13	0.182%
10/12	0.345%	04/13	0.146%
11/12	0.191%	05/13	0.061%
12/12	0.209%	06/13	0.109%

The annualized yield for FY 13 was 0.197%.

FY 2013 DISTRIBUTIONS TO CITIES & TOWNS

<u>CITY/TOWN</u>	<u>POPULATION</u>	<u>SEVERANCE TAX W.S. 39-14-801</u>	<u>FEDERAL MINERAL ROYALTY W.S. 9-4-601</u>	<u>TOTAL</u>
Afton	1,909	\$70,650.86	\$144,845.78	\$215,496.64
Albin	185	6,729.65	20,055.67	\$26,785.32
Alpine	818	30,529.32	71,103.48	\$101,632.80
Bags	437	16,244.24	30,469.70	\$46,713.94
Bairoil	108	3,938.03	16,375.64	\$20,313.67
Bar Nunn	2,428	83,782.80	95,158.95	\$178,941.75
Basin	1,292	47,583.19	86,176.92	\$133,760.11
Bear River	521	19,183.00	42,377.21	\$61,560.21
Big Piney	565	20,530.81	64,350.15	\$84,880.96
Buffalo	4,625	169,917.16	246,682.49	\$416,599.65
Burlington	309	10,840.36	28,218.28	\$39,058.64
Burns	303	11,149.20	25,346.29	\$36,495.49
Byron	599	21,983.67	47,884.48	\$69,868.15
Casper	57,813	2,068,200.00	1,994,059.69	\$4,062,259.69
Cheyenne	61,537	2,217,814.79	2,669,793.30	\$4,887,608.09
Chugwater	216	7,876.04	21,974.16	\$29,850.20
Clearmont	142	5,251.22	18,030.73	\$23,281.95
Cody	9,689	353,582.67	468,858.74	\$822,441.41
Cokeville	528	19,721.19	51,241.22	\$70,962.41
Cowley	694	24,575.03	51,765.50	\$76,340.53
Dayton	777	28,175.13	47,359.46	\$75,534.59
Deaver	182	6,618.69	21,900.97	\$28,519.66
Diamondville	727	27,164.11	64,918.72	\$92,082.83
Dixon	96	3,578.05	15,407.35	\$18,985.40
Douglas	6,280	227,767.77	323,206.67	\$550,974.44
Dubois	1,002	36,188.45	75,334.91	\$111,523.36
East Thermopolis	253	9,383.98	21,587.05	\$30,971.03
Edgerton	197	7,229.28	18,918.43	\$26,147.71
Elk Mountain	194	7,090.41	18,753.59	\$25,844.00
Encampment	443	16,577.86	30,786.27	\$47,364.13
Evanston	12,262	456,163.62	665,961.83	\$1,122,125.45
Evansville	2,827	96,638.53	107,454.74	\$204,093.27
Fort Laramie	233	8,532.65	22,274.51	\$30,807.16
Frannie	161	5,842.11	20,590.16	\$26,432.27
Gillette	31,378	1,096,376.54	1,542,258.32	\$2,638,634.86
Glendo	205	7,580.98	21,599.80	\$29,180.78
Glenrock	2,583	95,324.92	143,984.16	\$239,309.08
Granger	142	5,167.41	17,741.61	\$22,909.02
Green River	12,801	465,397.57	532,111.07	\$997,508.64
Greybull	1,853	68,357.15	117,250.82	\$185,607.97
Guernsey	1,171	42,633.67	68,991.29	\$111,624.96
Hanna	827	30,973.89	44,494.61	\$75,468.50
Hartville	63	2,301.83	14,914.99	\$17,216.82
Hudson	468	17,027.50	43,389.02	\$60,416.52
Hulett	391	14,235.90	41,819.62	\$56,055.52
Jackson	9,838	356,522.89	489,990.72	\$846,513.61
Kaycee	261	9,707.76	25,235.71	\$34,943.47
Kemmerer	2,636	98,039.08	195,171.38	\$293,210.46
Kirby	93	3,411.24	15,485.32	\$18,896.56
La Barge	540	20,276.71	52,260.24	\$72,536.95
La Grange	456	16,639.60	35,036.32	\$51,675.92

(Continued on Next Page)

FY 2013 DISTRIBUTIONS TO CITIES & TOWNS

<u>CITY/TOWN</u>	<u>POPULATION</u>	<u>SEVERANCE TAX W.S. 39-14-801</u>	<u>FEDERAL MINERAL ROYALTY W.S. 9-4-601</u>	<u>TOTAL</u>
Lander	7,677	278,591.44	479,479.72	\$758,071.16
Laramie	31,681	1,147,414.66	712,770.93	\$1,860,185.59
Lingle	476	17,379.21	35,926.95	\$53,306.16
Lost Springs	4	147.92	12,200.15	\$12,348.07
Lovell	2,381	87,463.82	145,833.13	\$233,296.95
Lusk	1,557	57,857.87	140,425.52	\$198,283.39
Lyman	2,094	78,023.62	126,341.04	\$204,364.66
Manderson	115	4,224.82	18,319.72	\$22,544.54
Manville	94	3,504.10	19,596.05	\$23,100.15
Marbleton	1,110	40,601.35	112,591.12	\$153,192.47
Medicine Bow	277	10,439.11	21,939.87	\$32,378.98
Meeteetse	330	12,119.75	30,556.46	\$42,676.21
Midwest	407	14,967.24	29,323.84	\$44,291.08
Mills	3,479	128,152.12	137,644.03	\$265,796.15
Moorcroft	1,023	37,439.91	85,533.70	\$122,973.61
Mountain View	1,314	47,810.15	83,239.64	\$131,049.79
Newcastle	3,478	130,126.36	171,875.72	\$302,002.08
Opal	95	3,541.07	18,507.48	\$22,048.55
Pavillion	240	8,623.91	26,378.11	\$35,002.02
Pine Bluffs	1,147	41,913.77	65,172.94	\$107,086.71
Pine Haven	492	18,138.51	49,170.77	\$67,309.28
Pinedale	2,043	75,187.89	195,720.01	\$270,907.90
Powell	6,308	233,440.18	314,624.61	\$548,064.79
Ranchester	898	32,007.28	51,762.71	\$83,769.99
Rawlins	9,113	341,080.97	339,793.52	\$680,874.49
Riverside	51	1,913.93	13,822.48	\$15,736.41
Riverton	10,971	395,768.03	674,840.95	\$1,070,608.98
Rock River	244	9,051.16	17,504.20	\$26,555.36
Rock Springs	24,047	861,027.78	971,678.21	\$1,832,705.99
Rolling Hills	441	16,280.43	37,029.06	\$53,309.49
Saratoga	1,663	62,252.66	74,279.84	\$136,532.50
Sheridan	17,698	647,384.62	758,508.46	\$1,405,893.08
Shoshoni	664	24,136.01	55,240.61	\$79,376.62
Sinclair	423	15,922.06	30,160.81	\$46,082.87
Superior	340	12,461.62	28,846.48	\$41,308.10
Star Valley Ranch	1,491	55,473.02	116,945.27	\$172,418.29
Sundance	1,213	43,991.33	97,878.11	\$141,869.44
Ten Sleep	257	9,587.78	24,834.79	\$34,422.57
Thayne	357	13,453.42	39,721.03	\$53,174.45
Thermopolis	3,019	111,364.60	128,778.47	\$240,143.07
Torrington	6,757	242,725.83	307,267.30	\$549,993.13
Upton	1,083	40,524.69	63,855.04	\$104,379.73
Van Tassell	15	554.71	13,202.55	\$13,757.26
Wamsutter	464	16,795.80	33,661.95	\$50,457.75
Wheatland	3,641	134,254.69	185,009.08	\$319,263.77
Worland	5,454	202,613.08	286,240.73	\$488,853.81
Wright	1,856	67,266.96	108,741.36	\$176,008.32
Yoder	155	5,620.24	18,767.44	\$24,387.68
GRAND TOTALS	396,195	\$14,337,629.99	\$18,562,500.00	\$32,900,129.99

Distribution Dates: Severance Tax: Quarterly
Federal Mineral Royalty: Quarterly

FY 2013 DISTRIBUTIONS TO COUNTIES

COUNTIES	RAILROAD CAR TAX W.S. 39-13-103	VETERANS' EXEMPTION W.S. 39-13-105	US FOREST RESERVE W.S. 9-4-501	TAYLOR GRAZING ACT W.S. 9-4-401	SEVERANCE TAX DISTRIBUTION W.S. 39-14-801	LIVESTOCK PREDATORY ANIMAL CONTROL FEES W.S. 11-6-210	FINES & PENALTIES W.S. 8-1-109	INDIAN EXEMPTION W.S. 31-3-101	TOTAL
Albany	\$175,823.00	\$211,377.84	\$310,029.43	\$31,861.84	\$374,604.89	\$60,944.16	\$136,564.19	0.00	\$1,301,205.35
Big Horn	63,616.00	121,073.38	322,832.02	19,459.42	144,391.55	37,907.64	53,441.68	0.00	\$762,721.69
Campbell	233,715.00	168,649.88	0.00	60,821.13	444,592.59	79,758.20	181,087.71	0.00	\$1,168,624.51
Carbon	150,768.00	110,002.84	391,887.86	63,427.30	163,202.37	101,392.55	1,499,464.12	0.00	\$2,480,145.04
Converse	268,624.00	110,367.13	13,007.77	31,656.36	142,257.22	77,472.50	118,431.58	0.00	\$761,816.56
Crook	28,604.00	78,758.14	189,165.64	13,878.44	110,674.74	74,480.95	25,125.73	0.00	\$520,687.64
Fremont	41,430.00	371,842.31	627,984.14	31,530.29	394,513.03	69,178.53	160,638.81	246,006.00	\$1,943,123.11
Goshen	159,683.00	156,505.83	0.00	3,075.14	191,620.44	61,614.86	80,310.94	0.00	\$652,810.21
Hot Springs	25,475.00	68,292.38	30,771.87	12,173.17	84,653.60	12,763.96	18,707.52	7,512.00	\$260,349.50
Johnson	0.00	118,326.30	222,702.73	50,605.08	90,931.15	81,320.95	66,891.03	0.00	\$630,777.24
Laramie	268,107.00	1,312,300.60	0.00	9,370.76	890,138.82	21,022.08	372,792.16	0.00	\$2,873,731.42
Lincoln	92,166.00	112,698.42	605,896.28	9,267.29	184,119.66	54,856.81	65,032.51	0.00	\$1,124,036.97
Natrona	71,194.00	571,565.97	2,305.76	99,826.82	732,179.93	51,588.80	826,185.91	0.00	\$2,354,847.19
Niobrara	80,457.00	29,804.28	0.00	18,794.12	112,127.64	60,304.10	70,645.20	0.00	\$372,132.34
Park	40,002.00	330,949.40	804,202.66	19,688.07	281,299.45	33,756.83	112,726.88	0.00	\$1,622,625.29
Platte	99,124.00	148,633.59	708.15	15,368.52	143,391.05	23,310.40	34,741.19	0.00	\$465,276.90
Sheridan	88,638.00	303,943.82	172,895.59	5,263.73	298,777.46	59,446.25	109,514.57	0.00	\$1,038,479.42
Sublette	0.00	63,664.49	300,952.16	14,231.41	100,502.55	13,549.10	176,401.85	0.00	\$669,301.56
Sweetwater	293,757.00	277,243.58	39,967.22	49,660.32	423,911.93	21,246.75	256,593.72	0.00	\$1,362,380.52
Teton	0.00	57,754.05	218,796.77	202.50	212,798.06	0.00	97,853.38	0.00	\$587,404.76
Uinta	130,055.00	152,373.13	25,808.55	11,207.75	217,569.24	46,882.98	83,069.56	0.00	\$666,966.21
Washakie	23,371.00	93,609.41	23,311.80	17,685.09	146,159.88	28,119.77	33,613.22	0.00	\$365,870.17
Weston	98,320.00	81,145.81	6,636.23	13,815.83	129,638.74	41,111.25	380,699.58	0.00	\$751,367.44
GRAND TOTAL	\$2,432,929.00	\$5,050,882.58	\$4,309,862.63	\$602,870.38	\$6,014,055.99	\$1,112,029.42	\$4,960,533.04	\$253,518.00	\$24,736,681.04

FEDERAL MINERAL ROYALTY DISTRIBUTIONS

	UNDER \$200 MILLION %	DISTRIBUTIONS MADE IN FY 13	OVER \$200 MILLION DIST FY 13	Coal Bonus (received in FY13 to be Distributed in FY14)	TOTAL FY 13 ROYALTY MONEY DISTRIBUTED
Mineral Royalty:					
Cities & Towns	9.375%	\$18,562,500.00	\$0.00		\$18,562,500.00
University Of Wyoming	6.750%	13,365,000.00	0.00		\$13,365,000.00
Foundation Fund	44.800%	88,704,000.00	174,329,022.16		\$263,033,022.16
Highway Fund	30.375%	60,142,500.00	0.00		\$60,142,500.00
Highway Fund State Roads Cities, Counties & Special Districts Capital Const.	2.250%	4,455,000.00	0.00		\$4,455,000.00
School Districts - Grants	3.750%	7,425,000.00	0.00		\$7,425,000.00
1% General Fund	2.700%	5,346,000.00	0.00		\$5,346,000.00
UW Bond Coverage		2,000,000.00	0.00		\$2,000,000.00
Budget Reserve Account			0.00		\$0.00
			348,580,024.28		\$348,580,024.28
TOTAL	100.00%	\$200,000,000.00	\$522,909,046.44	\$0.00	\$722,909,046.44
Coal Lease Bonus:					
Cities, Counties & Special Districts Capital Const.*	3.75%	\$5,625,000.00	0.00		\$5,625,000.00
School Capital Construction	40.00%	229,625,045.32	0.00	68,640,531.47	\$229,625,045.32
Community College Commission**	10.00%	1,600,000.00	0.00		\$1,600,000.00
Highway Funds*	12.50%	1,875,000.00	0.00		\$1,875,000.00
TOTAL	100.00%	\$238,725,045.32	\$0.00	\$68,640,531.47	\$238,725,045.32
FY 13 GRAND TOTAL DISTRIBUTIONS		\$438,725,045.32	\$522,909,046.44	\$0.00	\$961,634,091.76
FY 13 GRAND TOTAL COLLECTIONS				\$0.00	\$961,634,091.76

Notes:

Distribution FY 13 plus FY 13 "over \$200 million" = Total FY 13 royalty money distributed.

The "over \$200 million FY 13" distribution was completed 9/13.

Mineral Royalties are distributed quarterly to Cities & Towns and State Agencies but monthly to the School Foundation Fund.

*The first seven million five hundred thousand dollars of Coal Lease Bonus payments shall be distributed according to 9-4-601(b)(i)(A).

** 9-4-601(b)(iv)(A) ten percent but not to exceed one million six hundred thousand dollars.

ENDOWMENT CHALLENGE FUND MATCHING PROGRAMS

There were six endowment challenge fund matching programs administered by the State Treasurer's Office as of June 30, 2013, involving 49 eligible institutions. The initial appropriation to an endowment challenge fund matching program occurred in fiscal year 2001. The Wyoming State Legislature has appropriated matching funds totaling \$240.7 million as of June 30, 2013.

These matching programs are incentive based to encourage donations to the institutions. When the institution receives a pledge of an endowment gift it submits a commitment form to the State Treasurer's Office to encumber funds within the endowment fund. When the institution collects on the pledge or receives a qualifying contribution, it submits a request to the State Treasurer's Office for a distribution of matching funds from the endowment fund associated with that institution.

Upon receiving the match, the institution transfers the gift and match to its Foundation, where it is invested and held inviolate. Only the earnings may be spent for the purposes of the endowment specified, with the exception of the University of Wyoming's Athletic program, Academic Facilities program and the Critical Access/Rural Hospital program. The UW programs may spend all of the funds for the costs of establishing new or renovating existing university facilities as approved by the university president and the board of trustees. The Critical Access/Rural Hospital program may spend the donated funds while the matching funds must be invested and held inviolate.

The following is a list of the endowment challenge fund matching programs authorized by the state statutes as of June 30, 2013 that are to be administered by the state treasurer:

- The University of Wyoming (UW) Endowment Challenge Program
W.S. 21-16-901 through 21-16-904 established in fiscal year 2001.
- The University Athletics Challenge Account
W.S. 21-16-1001 through 21-16-003 established in fiscal year 2004.
- The University Academic Facilities Challenge Account,
W.S. 21-16-1401 through 21-16-1403 established in fiscal year 2006.
- The Community College Challenge Programs, seven (7) in total,
W.S. 21-16-1101 through 21-16-1104 established in fiscal year 2004.
- The Critical Access/Rural Hospital Endowment Challenge programs, sixteen (16) in total,
W.S. 35-1-1001 through 35-1-1004 established in fiscal year 2007.
- The Wyoming Public Library Endowment Challenge Program, twenty-three (23) in total,
W.S. 18-7-201 through 18-7-205 established in fiscal year 2009.

The community college challenge program has a statutory provision (W.S. 21-16-1004(f)(ii)(iv)) that allows colleges to enter into an agreement permitting one college to encumber and collect funds in excess of the amount within their challenge account by using unencumbered funds from another college. The statute does stipulate, however, that the match disbursed by the state treasurer must be divided equally between the colleges participating in the agreement.

The following tables display the appropriations, commitments and payments for the University and Community College, Critical Access/Rural Hospital and the Public Library Endowment Challenge Program since their inception.

University and Community College Endowment Challenge Program Inception through June 30, 2013				
<u>Institution</u>	<u>Total Appropriation</u>	<u>Unfunded Commitments</u>	<u>Payments</u>	<u>Remaining Appropriation</u>
UW	\$88,650,000	\$2,733,796	\$85,905,685	\$10,519
UW Athletics	\$29,000,000	\$1,322,782	\$17,677,218	\$10,000,000
UW Academic Facilities	\$51,027,478	\$3,448,333	\$31,471,546	\$16,107,598
Casper	\$10,083,333	\$0	\$9,898,726	\$184,607
CWCC	\$5,000,000	\$12,245	\$4,987,755	\$0
EWCC	\$3,609,304	\$0	\$2,848,328	\$760,976
LCCC	\$8,058,500	\$494,130	\$7,564,369	\$0
NWCC	\$9,333,333	\$332,548	\$8,328,922	\$671,863
Sheridan	\$9,915,530	\$104,864	\$9,662,885	\$147,781
WWCC	\$5,000,000	\$8,600	\$4,296,467	\$694,933
TOTAL	\$219,677,478	\$8,457,299	\$182,641,903	\$28,578,276

<u>Institution</u>	<u>Total Appropriation</u>	<u>Unfunded Commitments</u>	<u>Payments</u>	<u>Remaining Appropriation</u>
Star Valley Medical	\$250,000	\$0	\$240,910	\$9,090
Johnson Co Mem Hospital	\$250,000	\$0	\$250,000	\$0
West Park Hospital	\$107,143	\$0	\$15,950	\$91,193
Mem Hospital Converse Co	\$250,000	\$0	\$250,000	\$0
So Lincoln Med Ctr	\$107,143	\$0	\$0	\$107,143
No Big Horn Hospital	\$117,143	\$0	\$20,180	\$96,963
Weston Co Health Serv	\$107,143	\$0	\$0	\$107,143
Powell Med Foundation	\$250,000	\$18,937	\$231,063	\$0
Carbon Co Mem Hospital	\$107,143	\$0	\$0	\$107,143
Crook Co Hospital	\$107,143	\$0	\$0	\$107,143
Hot Springs Co Mem Hosp	\$250,000	\$0	\$250,000	\$0
Community Hospital (Torr)	\$160,034	\$0	\$50,000	\$110,034
Platt Co Mem Hospital	\$107,143	\$0	\$0	\$107,143
Washakie Med Ctr	\$107,143	\$0	\$0	\$107,143
So Big Horn Co Hosp Dist	\$107,143	\$0	\$0	\$107,143
Niobrara Health & Life Ctr	\$250,000	\$0	\$112,141	\$137,859
TOTAL	\$2,634,319	\$18,937	\$1,420,243	\$1,195,139

Public Library Endowment Challenge Programs Inception through June 30, 2013					
<u>County Library</u>	<u>Appropriation</u>	<u>Endowment Gift</u>	<u>Amount Paid</u>	<u>Unfunded Commitments</u>	<u>Unobligated</u>
6901 Natrona	\$797,826	\$508,502	\$608,502	\$0	\$189,324
6902 Laramie	\$797,826	\$491,306	\$635,712	\$0	\$162,113
6903 Sheridan	\$797,826	\$668,327	\$768,327	\$0	\$29,499
6904 Sweetwater	\$797,826	\$232,306	\$348,969	\$5,470	\$443,387
6905 Albany	\$797,826	\$646,120	\$749,072	\$0	\$48,754
6906 Carbon	\$797,826	\$608,600	\$708,600	\$0	\$89,226
6907 Goshen	\$797,826	\$494,433	\$647,250	\$0	\$150,576
6908 Platte	\$797,826	\$249,656	\$349,656	\$0	\$448,170
6909 Big Horn	\$797,826	\$286,945	\$386,945	\$0	\$410,880
6910 Fremont	\$797,826	\$328,445	\$443,589	\$0	\$354,237
6911 Park	\$797,826	\$466,039	\$566,039	\$6,700	\$225,087
6912 Lincoln	\$797,826	\$177,627	\$301,307	\$1,350	\$495,169
6913 Converse	\$797,826	\$138,700	\$238,700	\$0	\$559,126
6914 Niobrara	\$797,826	\$647,691	\$783,948	\$0	\$13,878
6915 Hot Springs	\$797,826	\$375,975	\$475,975	\$0	\$321,851
6916 Johnson	\$797,826	\$449,770	\$549,770	\$0	\$248,056
6917 Campbell	\$797,826	\$322,240	\$422,240	\$50	\$375,536
6918 Crook	\$797,826	\$210,483	\$310,483	\$0	\$487,343
6919 Unita	\$797,826	\$229,814	\$329,814	\$0	\$468,012
6920 Washakie	\$797,826	\$364,244	\$464,244	\$0	\$333,582
6921 Weston	\$797,826	\$371,767	\$471,767	\$0	\$326,059
6922 Teton	\$797,826	\$554,444	\$654,444	\$0	\$143,382
6923 Sublette	\$797,826	\$500,000	\$600,000	\$0	\$197,826
TOTAL	\$18,349,996	\$9,323,435	\$11,815,355	\$13,570	\$6,521,071

INTERFUND BORROWING SCHOOL FOUNDATION PROGRAM

For several years the state issued tax and revenue anticipation notes (TRANS), as authorized by W.S. 9-4-1101 through 9-4-1105, to fund temporary cash flow shortfalls in the School Foundation Fund in order to make school foundation program payments to Wyoming school districts as required by Wyoming Statutes. However, since fiscal year 2007, the State of Wyoming has not issued any tax and revenue anticipation notes. Instead, school foundation program payments are made by temporary interfund borrowing from the corpus of the Common School Permanent Land Fund (CSPLF) at 6% interest as allowed by W.S. 21-13-316.

A cash flow analysis spreadsheet is included on the following page that shows the schedule of actual revenue receipts during FY 13, the schedule of statutory School Foundation payments and the incorporation of interfund borrowing from and repayment to the CSPLF for fiscal year 2013.

Interest payments from the school foundation program for this interfund borrowing totaled \$4,454,167 for FY 13. The amount of interest paid to the Common School Permanent Land Fund account was reported as income to the account to be distributed among all school districts during FY 13 as provided by Wyoming Statute.

The primary reason for the lack of liquidity to make scheduled school foundation program payments is due to the timing of receipt of revenues mainly from federal mineral royalties and ad valorem taxes.

The State Treasurer could also use the provisions of W.S. 9-1-417, which allows utilization of loans from the general fund or budget reserve account, up to \$60 million, to assist in meeting the cash flow needs for obligations of the school foundation program which come due prior to the receipt of program revenues. Loans from the general fund must be repaid as soon as anticipated revenue is received.

Liquidity needs were built into the state's investment asset allocation plan for the CSPLF for fiscal year 2013. To ensure liquidity needs are met.

Interfund borrowing will again be used to fund the cash flow for the school foundation program during FY 14.

State of Wyoming
School Foundation Account - with CSPLF Borrowing
FISCAL YEAR 2013 - June 2013
Projected Cash Flow

Last Revision: **July 2, 2013**

	P1 Actual July 2012	P2 Actual Aug 2012	P3 Actual Sept 2012	P4 Actual Oct 2012	P5 Actual Nov 2012	P6 Actual Dec 2012	P7 Actual Jan 2013	P8 Actual Feb 2013	P9 Actual Mar 2013	P10 Actual Apr 2013	P11 Actual May 2013	P12 Actual Jun 2013	FY 2013 Totals	LSO & CREG FY 13 Estimates Jan 2013
Beginning Balance	286,719,273	293,452,328	128,464,913	105,039,857	41,159,220	92,970,237	69,776,902	151,355,812	86,449,375	24,170,808	21,735,149	37,472,503	286,719,273	286,719,273
Revenues and Transfers														
Auto Tax	596,126	434,687	7,368,513	5,370,634	1,107,673	950,860	2,459,765	1,287,193	409,020	921,731	360,262	511,319	21,777,782	20,000,000
Car Company Tax	335,976		31,823	57,711							0	290,606	716,115	350,000
Property Tax	2,713,485	944,530	951,363	6,573,838	58,645,372	81,117,736	22,446,665	3,661,764	1,286,322	1,879,342	49,071,358	77,680,337	306,972,113	286,093,200
Penalty-Delinq taxes													0	
Federal Mineral Royalty (under 200mm)	7,392,000	7,392,000	7,392,000	0	14,784,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	88,704,000	
FMR (over 200mm)			35,331,612				16,789,635			58,896,158	0	54,373,583	165,390,989	270,100,000
Interest - WY Municipalities	97,250	196,189	139,616	41,203	177,585	51,299	17,777	232,335	102,341	89,547	(1,565,215)	99,590	(320,483)	1,000,000
Interest - Investments		599,300	472,962	228,727	129,730	134,221	238,438	342,727	38,043	20,226	43,766	3,107,975	5,356,117	4,000,000
Recapture							96,421,283					120,133,429	216,554,713	225,000,000
Foundation Revenue (Advance Payment Interest)									14,827				14,827	0
Comm School Income Fund (Trsr from) (W.S. 21-13-301)	7,732						37,801,832					129,828,493	167,638,057	68,000,000
Net Capital Gain(Loss)		374,990	305,658	258,323	57,039	201,526	1,328,888	354,065	(2,179)	96,661	27,294	(2,980,299)	21,968	
CSPLF Borrowing					160,000,000		(35,000,000)					(125,000,000)	0	
Total Revenues and Transfers	11,142,570	9,941,696	51,993,547	12,530,436	234,901,399	89,847,643	149,896,284	13,270,085	9,240,374	69,295,665	55,329,465	265,437,034	972,826,198	874,543,200
Expenditures														
Entitlements - School Districts		(102,367,059)	(70,739,579)	(69,781,830)	(69,631,875)	(69,418,464)	(69,432,726)	(69,423,761)	(69,408,678)	(69,072,162)	(34,693,627)		(693,969,761)	(749,500,000)
Entitlement/Audit Adjustments	100,817				47,133	556,541	(854,231)	26,735	10,893	10,052	9,641		(92,419)	(2,500,000)
Combined Incentive Payments				(101,421)									(101,421)	(250,000)
Tax Shortfall Grants				(802,191)									(825,213)	(5,000,000)
Recapture Loan		(48,739,612)			2,500,000	40,010,777	5,580,268			648,567			0	0
Administrative Hearings								(3,311)		(3,240)			(6,551)	(10,000)
Vocational Education Grants	(265,647)						(4,426)			(4,513)	(2,514)	(93,057)	(370,157)	(250,000)
SF01 & SF70 Summer School	(175,000)	(991,690)	(2,897,778)	(5,980)	(332,808)		(3,380,667)	(4,845,746)		(211,514)			(12,841,183)	(16,750,000)
SF70 Distance Education Grant	(87,221)		(4,728)	(12,541)	(10,043)	(33,006)	(15,904)	(216)	(2,242)	(13,363)	(25,159)	(58,526)	(262,948)	(250,000)
COP Payments	(737,306)	(756,532)	(820,611)	(669,928)	(813,500)	(756,688)	(684,313)	(715,096)	(726,879)	(698,386)	(751,597)	(730,729)	(8,861,585)	(9,716,820)
SF01 & SF70 Instructional Facilitators	61,094	(20,565,309)											(20,504,214)	(21,000,000)
National Bd Certification Payment Reimb								(1,456,000)					(1,456,000)	(1,760,000)
School Finance and Technology - FY11 - HB12	(1,058)	(2,672)					9						(3,722)	
Education Reform - Student Assessment	(162,056)	(54,190)	(15,861)	(2,232,067)	(607,234)	(1,123,545)	(28,541)	(31,076)	(743,951)	(126,675)	(1,853,972)	(23,194)	(7,002,364)	(6,724,152)
Student Performance Data System	(264,996)	(10,868)	(8,293)	(14,090)	(129,612)	(81,801)	(86,636)	(124,447)	(14,736)	(17,050)	(13,266)	(13,266)	(765,794)	(1,327,604)
SF57 State Board	(14,660)	(14,897)	(29,235)	(10,246)	(12,408)	(102,281)	(10,722)	(13,878)	(8,397)	(8,532)	(8,979)	(243,375)	(250,000)	(250,000)
WDE Budget	(1,027,558)	(386,199)	(189,514)	(201,126)	(210,277)	(143,197)	(293,896)	(155,905)	(78,358)	(176,383)	(126,874)	(99,219)	(3,088,506)	(3,736,296)
* Capital Facilities Bond Debt Service (FMR)				(1,986,970)	1,167,000		3,729,500					0	329,969	3,239,499
+ C.S. Spending Policy transfer to C.S. Reserve												0	(43,854,372)	(43,854,372)
Office of the Superintendent									(2,379)			(30,715)	(37,762)	(70,856)
National Guard Youth Challenge	(98,523)	(268,154)	217,829	(226,387)	(211,787)	(144,742)	(153,081)	67,612	(181,866)	5,160	(176,250)	(355,592)	(1,525,779)	(956,413)
School Funding Equity Litigation	(40,842)	(42,376)	(42,773)	(239,931)	(43,289)	(41,519)	(44,002)	(42,689)	(42,036)	(42,628)	(43,014)	(43,705)	(708,805)	(1,038,252)
Capital Construction	(153,211)	(211,274)	(35,814)	(223,466)	(623,216)	(220,789)	(107,097)	(266,637)	(113,127)	(183,081)	(76,951)	(97,752)	(2,312,415)	(7,972,866)
Teacher Shortage Loan Repayment	6,020	7,753	(58,683)	585,908	(3,500)	5,644	(959)	(79,662)	1,297	10,466	782	(3,084)	471,981	(300,000)
Trust Land Preservation - OSLL	0	(2,074)	(18,736)	(32,000)	(25,231)	0	(1,155,915)	0	(49,678)	(33,483)	(319,180)	(26,140)	(1,662,437)	(404,707)
ETS	(1,546,102)	(498,176)	(744,840)	(679,708)	907,642	(438,948)	(516,985)	(464,613)	(176,595)	(524,795)	(821,008)	(438,974)	(5,943,103)	(5,899,589)
LSO	(2,232)	(25,780)	(29,985)	(33,887)	(57,378)	(35,329)	(61,477)	(18,406)	(5,775)	(9,618)	(31,092)	(12,757)	(323,715)	(1,550,000)
Vouchers	(1,034)			256,787									255,753	
09 SF 124 Sec 2 (WS 21-13-306(c)) Foundation					(115,000,000)	(80,273,631)							(195,273,631)	(114,157,175)
Interfund Borrowing Interest Expense	0	0	0	0	0	(800,000)	(800,000)	(625,000)	(625,000)	(625,000)	(625,000)	(354,167)	(4,454,167)	(7,000,000)
Total Education Expenditures	(4,409,515)	(174,929,111)	(75,418,603)	(76,411,074)	(183,090,382)	(113,040,978)	(68,317,374)	(78,176,522)	(71,518,940)	(71,731,324)	(39,592,111)	(45,921,307)	(1,002,557,240)	(958,303,872)
Ending Balance	293,452,328	128,464,913	105,039,857	41,159,220	92,970,237	69,776,902	151,355,812	86,449,375	24,170,808	21,735,149	37,472,503	256,988,230	256,988,230	202,958,601
CSPLF Loan Balance	0	0	0	0	160,000,000	160,000,000	125,000,000	125,000,000	125,000,000	125,000,000	125,000,000	0	0	0

Footnotes:

• W.S. 9-4-605

FMR Divert/Repay Cap Fac Bond Debt Service

CAPITAL FACILITIES REVENUE BONDS

Wyoming Statute 9-4-605 authorizes the State Loan and Investment Board to borrow up to \$105 million through the issuance of revenue bonds for capital construction purposes. Funds for the payment of principal and interest on these bonds is restricted to the federal mineral royalties distributed to the school foundation program or to the highway construction funds.

<u>SERIES</u>	<u>AMOUNT ISSUED</u>	<u>INTEREST RANGE %</u>	<u>BONDS OUTSTANDING JULY 1, 2012</u>	<u>PRINCIPAL PAYMENTS FY13</u>	<u>YEAR OF MATURITY</u>	<u>BALANCE JUNE 30, 2013</u>
1992	\$28,750,000	3.0-6.25	\$12,465,000	\$0	(2020)	\$12,465,000
2002	10,405,000	2.75-5.0	1,220,000	1,220,000	(2012)	\$0
2005	23,440,000	2.5-5.0	2,180,000	640,000	(2023)	\$1,540,000
2012	16,905,000	0.5-2.0	16,905,000	0	(2024)	\$16,905,000
Total Outstanding Revenue Bonds						<u>\$30,910,000</u>

Future minimum payments for revenue bonds are as follows:

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2014	2,260,000	1,257,564
2015	2,260,000	1,146,845
2016	2,380,000	1,041,095
2017	2,535,000	940,723
2018	2,645,000	834,981
2019-2023	14,025,000	2,334,331
2024-2025	4,805,000	118,350

Prior Year Defeasance of Debt:

In prior years, the state of Wyoming defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets & liability for the defeased bonds are not included in this financial statement. As of June 30, \$17,415,000 of the defeased 2005 issue remained outstanding.

New Issues:

In fiscal year 2013, the State Loan and Investment Board issued the Series 2012 Refunding bonds for the purpose of refunding a portion (\$17,415,000) of the Series 2005 Refunding Bonds. The Series 2005 Bonds maturing on and after October 1, 2014 are redeemable prior to maturity beginning October 1, 2014.

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BOND GUARANTEE AND BOND SUPPLEMENTAL COVERAGE PROGRAMS

The Wyoming State Legislature established bond guarantee programs for school districts and local governments during the 1994 legislative session and they established a bond supplemental coverage programs for the University of Wyoming bonds during the 2011 legislative session as described below and on the following page.

SCHOOL DISTRICT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1001 authorizes the State Loan and Investment Board to guarantee school district general obligation bonds issued under W.S. 21-13-701 through 21-13-721. However, the 2002 Legislature closed the state guarantee for future issues, except for the refunding of bonds issued on or before November 1, 2001.

The State Treasurer is authorized to pledge up to \$300 million from the Common School Permanent Land fund to guarantee the school district bonds. The program is intended to benefit school districts by guaranteeing payment of bonded indebtedness of creditworthy districts by reducing the interest rate at which the bonds may be issued.

If a district fails to deposit sufficient debt service monies with the State Treasurer, funds will be advanced from the Common School Permanent Land fund. Repayment to the Common School Permanent Land fund will be made from the district's next payments from the School Capital Construction account and the School Foundation fund.

As of June 30, 2013, the State Loan and Investment Board had approved guaranteeing school district bonds issues with original amounts totaling \$169,639,000. Of these, 28 issues have now been called or paid off completely and \$3,030,000 is still outstanding.

LOCAL GOVERNMENT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1002 authorizes the State Loan and Investment Board to guarantee local government general obligation bonds issued under W.S.15-7-101 through 15-7-114 or 18-4-301. The program is intended to benefit local governments by guaranteeing payment of bonded indebtedness of creditworthy cities, towns and counties by reducing the interest rate at which the bonds may be issued.

The State Treasurer is authorized to pledge up to \$100 million from the Permanent Mineral Trust fund to guarantee the local government bonds. If a government fails to deposit sufficient debt service monies with the State Treasurer, funds will be advanced from the Permanent Mineral Trust fund to make the required payments. Repayment to the Permanent Mineral Trust fund will be made from the government's next payments of federal mineral royalties and severance tax.

As of June 30, 2013, the State Loan and Investment Board had not approved any local government bond issues for this guarantee program.

UNIVERSITY OF WYOMING REVENUE BOND SUPPLEMENTAL COVERAGE PROGRAM

Wyoming State 9-4-1003 authorizes the State Loan and Investment Board to provide supplemental coverage for repayment of revenue bonds issued by the University of Wyoming under W.S. 21-17-402 through 21-17-450 on or before November 1, 2015, only. This program is intended to benefit the University of Wyoming by reducing the interest rate at which the bonds may be issued.

If the University fails to deposit sufficient debt service monies with the State Treasurer within a certain time period, funds necessary to make the revenue bond payments will be advanced from Federal Mineral Royalty revenue received in excess of \$200 million that would otherwise be distributed to the Budget Reserve account. Repayment to the Budget Reserve account is to be made from the University's general fund.

As of June 30, 2011, the State Loan and Investment Board had approved supplemental coverage for one bond issued by the University for facility improvements and refunding revenue bonds in the amount of \$16,740,000.

As of June 30, 2012, the State Loan and Investment Board approved another supplemental coverage for one bond issued by the University for facility improvements and refunding revenue bonds in the amount of \$39,655,000.

The State Loan and Investment Board has approved supplemental coverage for two bonds issued by the University for facility improvements and refunding revenue bonds. The first bond was guaranteed in 2011 in the amount of \$16,740,000 and a second bond in the amount of \$39,655,000 was approved in 2012.

WYOMING UNIFORM UNCLAIMED PROPERTY ACT

The 1993 Wyoming State Legislature enacted the Uniform Unclaimed Property Act (W.S. 34-24-101 through 34-24-139), effective March 11, 1993; Section 140 was enacted in 1994. During Fiscal Year 2013, funds totaling more than \$5.6 million were received and deposited into the trust fund to be held in perpetuity for the owners. More than \$1.6 million was returned to the rightful owners or heirs.

The Unclaimed Property Division is responsible for receiving unclaimed funds from any entity that cannot locate the owner. Packets are mailed annually to such entities requesting the return of Wyoming residents' funds. Upon receipt of these funds, the division attempts to locate the owners and reunite the rightful owner/heir with their property via the owner notification program and the owner outreach program. The division is also in contact with other states to bring Wyoming residents' unclaimed funds back to Wyoming.

The division is also charged with: (1) assisting and educating unclaimed property holders of compliance, (2) informing vendors of requirements and (3) informing claimants of their rights, responsibilities and how to claim their funds.

The unclaimed funds listing is available for public inspection after the funds have been held for two years. This two-year period allows for owner outreach and notification. If the owner fails to come forth within the two-year period, the names are made public. Third-party tracers (heirfinders) are then given access to records to allow them to attempt to locate the owners. Heirfinders charge the owners a percentage of the funds as their fee. No fee is charged if the funds are collected directly through the Unclaimed Property Division.

The Unclaimed Property Division maintains the records for almost 540,000 properties, totaling more than \$73.7 million. Since inception, the division has returned more than \$28.7 million to rightful owners or heirs.

The major goal and accomplishment for FY13 was working with the State Enterprise Technology Services (ETS) staff and our vendor, Wagers, on development of a secured website for companies to electronically upload unclaimed property reports.

Unclaimed property owner information and lists were requested by several heirfinders. Written inquiries from persons seeking their possible unclaimed funds increased by 114% over FY12. These inquiries were received from states and several foreign countries. Internet inquiries on the Wyoming Unclaimed Property Website (www.wywindfall.gov) decreased 13% over FY12. Claims filed by rightful owners/heirs decreased by less than 1.0% over FY12. Owner outreach decreased by 73% over FY12 due to a change in the due diligence letter process. In past years, a large percentage of letters that were mailed from October through December were returned due to bad addresses. By not mailing due diligence letters during this time period drastically reduced mailing and printing costs. As mandated, the names of these owners were included with the 2013 Annual Advertisement if the account value was \$50 or greater.

WYOMING UNIFORM UNCLAIMED PROPERTY ACT

<u>FISCAL YEAR</u>	<u>BEGINNING BALANCE</u>	<u>RECEIVED</u>	<u>DISBURSED</u>	<u>ENDING BALANCE</u>
FY00	10,170,551.29	1,975,557.85	1,274,918.31	10,871,190.83
FY01	10,871,190.83	2,763,717.84	1,050,831.89	12,584,076.78
FY02	12,584,076.78	3,489,779.83	1,917,521.28	14,156,335.33
FY03	14,156,335.33	3,116,677.58	1,657,258.29	15,615,754.62
FY04	15,615,754.62	3,784,421.94	1,982,406.14	17,417,770.42
FY05	17,417,770.42	3,188,781.15	1,389,724.33	19,216,827.24
FY06	19,216,827.24	4,468,854.76	1,390,353.36	22,295,328.64
FY07	22,295,328.64	4,258,239.76	1,439,396.86	25,114,171.54
FY08	25,114,171.54	4,169,527.52	1,372,748.31	27,910,950.75
FY09	27,910,950.75	4,945,635.62	749,176.57	32,107,409.80
FY09-13th Period -				
NSF Write-Offs	32,107,409.80	0.00	2,820.42	32,104,589.38
FY10	32,104,589.38	4,831,273.70	2,955,361.51	33,980,501.57
FY11	33,980,501.57	5,653,817.01	1,822,298.06	37,812,020.52
FY12	37,812,020.52	5,339,450.49	2,094,396.51	41,057,074.50
FY13	41,057,074.50	5,625,801.83	1,626,898.84	45,055,977.49

NOTES:

The FY09 disbursed amount dropped significantly due to converting to a new database system. Public outreach projects were on hold for almost 1.5 years due to this conversion. The disbursed amount increased in FY10 upon completion of the conversion and reinstatement of the outreach projects.

Prior to March 11, 1993, unclaimed funds remitted to the state were held for a five-year period. If the funds were not claimed within that time, they escheated to the Common School Permanent Land Fund.

On March 11, 1993, Governor Sullivan signed the Wyoming Uniform Unclaimed Property Act into law. Under the new law, unclaimed property is no longer transferred to the Permanent School Land Fund. This law provides for unclaimed funds to be held in perpetuity for the rightful owners or their heirs.

APPENDIX

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BALANCE SHEET
As Of June 30, 2013

ASSETS

Treasurer's Cash	\$18,245,553.15	
WYO-STAR Cash	0.00	
Cash with Fiscal Agent	66,986,376.30	\$85,231,929.45
Income Receivable	204,003,197.26	
WYO-STAR Income Receivable	0.00	204,003,197.26
State Investments @ Cost	16,562,713,403.99	
WYO-STAR Investments @ Cost	636,840,206.10	
Total Investments @ Cost		17,199,553,610.09
TREASURER'S TOTAL ASSETS		\$17,488,788,736.80

LIABILITIES

Due to Local Government Entities (WYO-STAR income)		0.00
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EQUITY

State Investment Equity	16,580,958,957.14	
Bond Funds with Fiscal Agent	66,986,376.30	
Unapportioned Income	204,003,197.26	
Total State Equity		16,851,948,530.70
WYO-STAR Participation		636,840,206.10
TREASURER'S TOTAL LIABILITY & FUND EQUITY		\$17,488,788,736.80

STATEMENT OF CASH FLOWS
WELLS FARGO ACCOUNT
For Year Ended June 30, 2013

Cash flows from operating activities:

Receipts	1	6,327,017,893.46
Less return items		<u>(1,157,650.59)</u>
Net Cash receipts		6,325,860,242.87
Increase (Decrease) in Petty Cash		(50.00)
Expenses		
Warrants redeemed	2	<u>(5,832,383,551.97)</u>

Net Cash provided (used) by operating activities 493,476,640.90

Cash flow from investment operations:

Cash Investment income received	3	376,270,949.53
Deferred Income (Gain/Loss)		578,295,717.19
Net increase in investments & loans receivable		<u>(1,442,230,483.51)</u>

Net Cash provided (used) by investment activities (487,663,816.79)

Net increase (decrease) in Cash 5,812,824.11

Beginning Cash: July 1, 2012 12,432,729.04

Ending Cash: June 30, 2013 18,245,553.15

Notes:

1 Most income to the state is entered as a receipt by the receiving agency and is then processed through the State Treasurer's Office. The exception to this process is investment income, which is entered directly to the investment system and is apportioned later to the receiving agencies. The "receipt" total above represents only non-investment income.

Fiscal Year 2013 net cash receipts decreased 2.2% compared to FY 12.

2 The "warrants redeemed" total represents the amount paid by the State Treasurer to redeem warrants presented for payment during the fiscal year. Warrants redeemed cannot be equated to total expenditures as warrants may be written in one fiscal year and not presented for payment until the following fiscal year. Internal transfers between agencies, funds or accounts are not included in this total.

In Fiscal Year 2013 warrants redeemed increased .3% compared to FY 12.

3 "Investment income received" represents the investment income actually received by the Treasurer during the fiscal year. Distributions do not normally exactly equal earnings because some income earned and received in one fiscal year may actually be distributed in the following fiscal year. This figure excludes non-cash items, but does include all state trading profits.

LEGISLATIVE AUTHORITY

W.S. 9-1-401; 9-1-409 through 9-1-417	State Treasurer-Duties Generally
W.S. 8-1-109	Distribution of Fines & Penalties
W.S. 9-4-206	Disposition of Revenue/Petty Cash Accounts
W.S. 9-4-305	Inflation Proofing Permanent Land Funds
W.S. 9-4-401	Distribution of Taylor Grazing Funds
W.S. 9-4-501 through 9-4-503	Distribution of Forest Reserve Funds
W.S. 9-4-601 through 9-4-607	Distribution of Federal Mineral Royalties
W.S. 9-4-605	Bond Issues - Capital Facilities
W.S. 9-4-714 through 9-4-719 & 9-4-831	Investment of State Funds
W.S. 9-4-719	Investment Earnings Spending Policy
W.S. 9-4-801 through 9-4-829	Deposits in Wyoming Banks & S&L
W. S. 9-4-901 through 9-4-904	Refunding Bonds
W.S. 9-4-1001 through 9-4-1002	Guarantee Program for School District & Local Gov't Bonds
W.S. 9-4-1101 through 9-4-1105	Tax & Revenue Anticipation Notes
W.S. 9-4-1203	Investment of Tobacco Settlement Fund
W.S. 9-15-103	Investment of Wildlife/Natural Resource Trust Account
W.S. 10-3-403	Wyoming Investment-Airport Loans - Aeronautics Commission
W.S. 11-6-210	Distribution of Livestock Predatory Animal Control Fees
W.S. 11-34-129	Wyoming Investment-Farm Loans
W.S. 11-34-301	Wyoming Investment-Small Water Development Project Loans
W.S. 16-1-109	Wyoming Investment-Joint Powers Board Loans
W.S. 18-7-201 through 18-7-205	County Libraries Endowment Challenge Acct/Invest & Distribute Match
W.S. 21-16-113	Investment in Insured, Guaranteed or Higher Education Loans
W.S. 21-16-714	Student Loan Standby Commitment
W.S. 21-16-809 thru 21-16-818	Family College Savings Program
W.S. 21-16-902 through 21-16-904	UW Endowment Challenge Account/Invest & Distribute Matching Funds
W.S. 21-16-1001 through 21-16-1003	UW Athletics Challenge Account/Invest & Distribute Matching Funds
W.S. 21-16-1101 through 21-16-1104	Community College Endowment Challenge Account/Invest & Distribute Match
W.S. 21-16-1201 through 21-16-1204	Higher Education Endowment Fund-Investment & Distribution
W.S. 21-16-1302	Hathaway Student Scholarship Program-Investment, Distribution & Reserve Acct
W.S. 21-16-1401 through 21-16-1403	UW Academic Facilities Challenge Account/Invest & Distribute Match
W.S. 21-22-101; 102	Investment of Wyoming Education Trust Fund
W.S. 27-3-202	Investment of Worker's Compensation Funds
W.S. 31-3-101(b)(iii), (vi), (xiv)	Distribution- Indian Motor Vehicle Tax Exemption Reimbursement
W.S. 34-24-101 through 34-24-140	Unclaimed Property
W.S. 35-1-1003; 1004	Critical Access/Rural Hospital Endowment Challenge Acct-Invest & Distribute
W.S. 36-8-319	Wyoming Investment in Hot Springs State Park Loans
W.S. 37-5-206	Investment in Natural Gas Pipeline Authority Bonds
W.S. 37-5-406	Investment in Wyo Infrastructure Authority Bonds
W.S. 39-13-103	Distribution of Railroad Car Tax
W.S. 39-13-102; 105	Distribution-Veterans Property Tax Exemption Reimbursements
W.S. 39-13-107	Deferred Tax Loans to Counties
W.S. 39-14-109; 211; 311; 411; & 39-14-509; 611; 711; 801	Distribution of Severance Tax
W.S. 39-17-111	Distribution of Gas Tax Refund
W.S. 41-2-124	Distribution-Water Development funds
1987-ch 117	Wyoming Investment in Shoshone Municipal Water Treatment Project Loan
1989-ch 131, 285	Wyoming Investment in Sheridan Area Water Treatment Facility Loan
1989-ch 230	Wyoming Investment in Laramie Territorial Park Loan
2009-ch 103; 2010 ch 115	Investment in Gillette Madison Pipeline